

Congressman Scott Garrett (R-NJ), Chairman

June 1, 2011

House to Consider First FY 2012 Appropriations Bills

Today, the House begins consideration of the FY 2012 Homeland Security bill. The legislation provides a total funding level of **\$40.6 billion**—\$1.03 billion (or 2.5%) *less* than FY 2011 for spending under the bill. Last month, the House Appropriations Committee approved the 302(b) allocations for the twelve appropriations bills. Under this plan, total spending in the appropriations process will amount to **\$1.019 trillion**—a reduction of \$30.4 billion or 2.9% compared to last year. The FY 2012 RSC budget resolution would lead to a spending total of \$978 billion. Highlights of the FY 2012 Homeland Security bill:

Transportation Security Administration (TSA): \$7.8 billion—\$292 million or 3.7% less than the request, and \$125 million or 1.6% more than last year.

Emergency Supplemental Funding Disaster Relief: The legislation provides \$1 billion in funding for FEMA’s disaster relief fund, and uses a reduction to funding for the Technology Vehicles Manufacturing Loan Program as an offset.

Air Marshals Program: \$961 million—an increase of \$41 million or 4.4% compared to last year. The air marshals program deploys federal agents to U.S. flights for the purpose of preventing terrorist attacks, though the agency has recently been criticized for mismanagement. In 2010, [CNN](#) reported: “Air marshals describe an agency in chaos, where bored and frustrated marshals focus more on internal squabbles than watching for bad guys.” In 2009, the agency made 4 arrests at a cost of \$200 million per arrest.

Firefighter Assistance Grants: The legislation provides \$350 million for this purpose—\$460 million or 56.7% less than last year, and \$320 million or 47.8% less than the request.

Outsourcing/A-76 Activities: Prohibits funds from being used under OMB Circular A-76 (governing the federal government’s outsourcing policies) to implement any pending or future competitive sourcing for work performed by employees of the United States Citizenship and Immigration Services of the Department of Homeland Security. This includes non-governmental functions of the agency (like food service and lawn-mowing).

Later this week, the House will also consider the FY 2012 Military Construction-Veterans bill, which provides a **\$72.5 billion** spending level—\$615 million (or 0.8%) *less* than last year, and \$1.3 billion less than the request.

Quote of the Week:

“We contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.”

—Winston Churchill

House Rejects Unconditional Debt Ceiling Increase



Yesterday, by a vote of 97 to 318, the House rejected H.R. 1954, legislation increasing the debt ceiling by **\$2.406 trillion** (an increase from nearly \$14.3 trillion to **\$16.7 trillion**). The purpose of considering the legislation, in this form, was to show that a debt ceiling increase cannot pass the House without spending restraint attached or accomplished elsewhere in advance.

The debt ceiling has increased six times since September 2007. The total increase to the debt ceiling during this period amounts to \$5.329 trillion (from \$8.965 trillion to \$14.294 trillion).

The RSC has proposed a “cut, cap, and balance” solution to the debt ceiling impasse. The RSC proposal (signed by more than 90 Members at press time) proposes that in order to enact any debt ceiling increase, we must first:

1. Enact discretionary and mandatory spending cuts that would reduce the deficit in half next year;

2. Implement statutory, enforceable total-spending caps to reduce federal spending to 18% of GDP; and
3. Send to the states a Balanced Budget Amendment with strong protections against federal tax increases and including a Spending Limit Amendment.

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Who's Winning the Budget War?

Republicans are forcing Democrats to acknowledge that voters want spending reform.

By Kimberly Strassel

Here's the Washington headline of the week that nobody in America got to read: Paul Ryan, 40. Barack Obama, 0.

Forty is the number of Senate votes that went in favor of Mr. Ryan's reformist budget, a tally that included nearly every Senate Republican. Zero is the number of votes President Obama got for his own tax-and-spend budget, a blueprint that not one of his own party had the backbone to support. It went down, 97-0.

Washington is in a game of high-stakes chicken over raising the debt limit, though so far only one side is flinching. According to the headlines (and Democrats), Republicans are on defense over Mr. Ryan's plan, are risking America's creditworthiness, and are delaying sensible compromise by refusing tax increases. It is only a matter of time, goes the betting, before the party swerves.

This has little relation to reality, in which it is Democrats who keep calling their own bluffs. It was Mr. Obama who first swerved, submitting a "do-over" of his initial, embarrassing budget. It is Democrats who have since swerved on the debt-limit debate, agreeing to spending-cut negotiations, then continuing to up the size of a package.

By refusing to blink, Republicans keep forcing Democrats to acknowledge a very simple political reality: Voters do want spending reform, and do not want tax hikes. That's why this debate has so far moved in the GOP's direction.

The White House's first bluff was its argument that America would crater if the GOP did not immediately hold a "clean" debt limit vote, allowing the administration to continue freely borrowing—no spending-reform attached. Treasury Secretary Timothy Geithner was betting markets would respond to his public warnings and exhibit some turmoil in fear of "default."

The GOP instead refused to back down, and Treasury keeps finding money to make payments. The markets have concluded that nobody will actually allow a default, and interest rates haven't budged. If anything, financial players are in line with a recent Washington Post poll showing far more Americans worried about America's debt levels than about an immediate risk of default.

These stats are why the White House swerved from its "clean" vote demand and dispatched Vice President Joe Biden to negotiate spending cuts. It's why Democrats have gone from insisting they couldn't cough up more than a few hundred billion to Mr. Biden this week floating a \$1 trillion figure.

It's also why Democrats are cringing from the very "clean" vote they once demanded. "I will not vote for a clean debt limit extension if no Republicans vote for it and instead use it just to demagogue," complained Democratic Minority Whip Steny Hoyer. Democrats were happy to demand a clean vote when they hoped to scare Republicans into voting with them. They aren't so keen to go it solo in favor of more borrowing and no reform.

Now comes the bluff that Republicans risk derailing negotiations if they don't agree to "revenue" (Democratic code for "tax hikes"). Obama National Economic Council Director Gene Sperling insists House Republicans are completely "isolated" on this issue. "Serious people doing serious discussions do not take an absolutist position that you cannot have a penny of revenue," he said.

Really? If tax hikes are so serious, presumably serious Senate Democrats would this week have finally put out a serious budget, outlining their serious tax hikes.

They didn't. They instead swerved and took the punk route of all voting against Mr. Ryan's plan. That's because serious Senate Democrats have worked out that the only way to get the "revenue" they need to cover their spending is to seriously hit up the middle class. And with 23 seats up for re-election, no serious Senate Democrat wants to go on the record voting for that. Seriously. Unless they can scare Republicans into going along with them.

This week's GOP loss of a special election in New York (which revolved around Mr. Ryan's reform) has reinforced another Democratic bluff—that any discussion of entitlement reform is politically "toxic." The left knows entitlements are where the big spending reforms are, and they are eager to get them off the negotiating table.

Yet the GOP once again refused to swerve. One day after the special-election loss, nearly every Senate Republican voted for Mr. Ryan's plan. Democrats, by contrast, didn't have the pluck to cast one vote for their president's reform-less plan.

Such abdications are beginning to gain notice. On NBC's "Meet the Press" last weekend, host David Gregory put this to ranking House Budget member Chris Van Hollen: "[Mr. Ryan] is saying, accurately, that you Democrats don't have a plan, and we have a budget crisis." Mr. Van Hollen was left to stumble on about "some" Democratic reforms, such as to "incentivize" more "value" in health care.

Republicans should know this: Nobody would even be asking these questions of Democrats if the GOP had blinked.