



B-71 Cannon House Office Building  
Washington, DC 20515  
Representative Paul Ryan, *Ranking Republican*

**REPUBLICAN CAUCUS**

## **THE COMMITTEE ON THE BUDGET**

Phone: (202)-226-7270  
Fax: (202)-226-7174

James T. Bates, *Republican Staff Director*

### **AN OMNIBUS IN CR'S CLOTHING THE 'CONTINUING RESOLUTION' FOR FISCAL YEAR 2007 (H.J.Res. 20)**

---

#### **SUMMARY**

The Democrat majority's continuing resolution [CR], scheduled for the floor Wednesday, is really an omnibus appropriations bill to fund programs and agencies whose regular fiscal year 2007 appropriations have not been enacted. Its \$464 billion in net total budget authority [BA] is \$6.1 billion more than what would result from a traditional continuing resolution; and the measure significantly alters spending priorities. The legislation has not been reported by the full Appropriations Committee, and is being brought to the floor under a closed rule, allowing no amendments.

Before the end of last year, Congress and the President enacted regular appropriations for defense and homeland security for the current fiscal year, which began on 1 October 2006. Other programs have been funded by a short-term CR at the lowest of: the House-passed appropriations bill, the Senate-passed appropriation, or the fiscal year 2006 levels. A conventional CR would simply carry forward these same levels, with limited adjustments (such as provisions to avoid the furlough of Federal employees). In contrast, H.J.Res. 20 starts from fiscal year 2006 levels, excluding emergency spending and savings from rescissions, and then makes extensive funding level changes and policy decisions. The discussion below describes a sampling of these changes.

#### **OVERALL COMPLIANCE**

The \$464 billion in budget authority provided by H.J.Res. 20 complies with levels in the budget resolution currently in place (H.Con.Res. 376). But the measure breaches the spending limits under the budget resolution (termed the "302(b) suballocations") for four Appropriations subcommittees – Energy and Water, Foreign Operations, Interior and Labor-Health and Human Services – and compensates by reducing limits for the remaining subcommittees. Finally, as noted, the measure spends \$6.1 billion more than the current CR.

#### **WINNERS AND LOSERS, BY PROGRAM**

One way to reflect the bill's changes in priorities is to compare its additions and subtractions with the President's requested funding for fiscal year 2007. A selected list includes the following:

---

---

**Table 1: Selected Winners and Losers, by Program**

(budget authority, in millions of dollars)

Program	FY2007 Pres	HJ Res. 20	Difference
Army Corps of Engineers	4,733	5,329	+596
Millennium Challenge	3,000	1,752	-1,248
NIH	28,250	28,831	+581
NASA	16,792	16,247	-545
Economic Development Administration	327	280	-47
Federal-Aid highways (obligation limitation)	39,086	39,086	0
Financial Crimes Enforcement Network	90	73	-17
BRAC	5,626	2,489	-3,137
Hope VI	0	99	+99
Amtrak	900	1,294	+394
State and Local Law Enforcement	0	1,075	+1,075

Source: Congressional Budget Office

---

- **Millennium Challenge Corporation.** This Presidential initiative provides U.S. foreign aid and development assistance through a competitive selection process to developing nations pursuing economic and political reforms. As introduced, H.J. Res. 20 would reduce funding for the program below the President's request by about \$1.25 billion.
- **National Aeronautics and Space Administration [NASA].** NASA conducts U.S. civilian space flight and aeronautics activities. The Democrat omnibus CR reduces funding for NASA by some \$545 million below the President's request.
- **Federal-Aid Highways.** The omnibus measure honors the transportation guarantees for Federal highway spending provided in the 2005 highway bill, SAFETEA-LU.
- **Base Realignment and Closing [BRAC].** H.J. Res. 20 underfunds by \$3.1 billion the President's request to implement the recommendations of the 2005 BRAC Commission. It also reduces, by about \$3 billion, the BRAC funding amount included in the House-passed Military Construction and Quality of Life appropriations bill for fiscal year 2007.
- **Amtrak.** The measure provides the fiscal year 2006 level for Amtrak, an increase of \$394 million from the President's budget request. As the administration's Statement of Administration Policy notes, this "excessive" subsidy "undermines any incentive for the railroad to exercise fiscal discipline."

---

## WINNERS AND LOSERS, BY SUBCOMMITTEE

The reshuffling of spending priorities in H.J.Res. 20 – compared with levels previously determined for House-passed appropriations bills – also is reflected in the Appropriations subcommittee level, as shown below:

**Table 2: Winners and Losers, by Subcommittee**

(budget authority, in millions of dollars)

Program	FY 2007 302(b) <sup>a</sup>	HJ Res. 20	Difference
Agriculture	17,812	17,727	-85
Energy and Water	30,017	30,265	+248
Foreign Operations	21,300	21,730	+430
Interior	25,889	26,324	+435
Labor-HHS	141,930	144,414	+2,484
Legislative Branch	4,030	3,754	-276
Military Quality	94,705	91,855	-2,850
Science-State-Justice	59,839	59,805	-34
TTHUD	67,819	66,797	-1,022

<sup>a</sup> The 302(b) allocations are the amounts allowed for each of the Appropriations subcommittees for programs and activities in their respective appropriations bills. The 302(b)s are determined by the full Appropriations Committee and can be adjusted as needed.

Source: Congressional Budget Office

---

- **Agriculture.** The bill provides funding for programs at the U.S. Department of Agriculture (except the Forest Service), such as food and nutrition as well as the Commodity Futures Trading Commission and the Food and Drug Administration. H.J. Res. 20 essentially freezes funds in this category (-\$85 million) compared to the fiscal year 2007 allocation.
- **Energy and Water.** H.J.Res. 20 provides a modest increase for the Energy and Water programs, about \$248 million above the bill's fiscal year 2007 allocation. Programs funding in this category include the U.S. Army Corps of Engineers civil works programs, most of the Department of Energy – such as its Fossil R&D and science research activities – and well as the U.S. Department of the Interior's Bureau of Reclamation.
- **Foreign Operations.** H.J. Res. 20 increases, by about \$430 million above the current fiscal year 2007 allocation, funding for foreign operations programs. These programs include a range of foreign aid, humanitarian and international assistance programs such as the Peace Corps, the Millennium Challenge Corporation, refugee assistance, Global HIV/AIDS funding, and international broadcasting programs.
- **Labor-Health and Human Services.** Programs normally funded in the Labor-HHS bill receive an increase of \$2.5 billion in budget authority above the current fiscal year 2007

---

allocation. The additional funds are available to a range of health, education and labor programs such as the Low Income Home Energy Assistance Program [LIHEAP], job training programs, funding for the National Institutes of Health, Community Services Block Grants, and No Child Left Behind.

- **Legislative Branch.** The omnibus measure reduces funding for legislative activities by some \$276 million when compared to the levels in the fiscal year 2007 allocation. Legislative Branch appropriations include congressional operations, the Government Accountability Office, the Government Printing Office, and the Congressional Research Service, among others.
- **Military Construction.** H.J. Res. 20 reduces funding for military construction and veterans programs – such as military infrastructure and housing – by some \$2.9 billion compared to its current fiscal year 2007 allocation.
- **Science-State-Justice.** The Democrat bill provides essentially level funding for Science-State-Justice programs (-\$34 million) compared to the fiscal year 2007 allocation. Under the current structure, the bill provides funding for a broad range of different federal activities and agencies, including the National Aeronautics and Space Administration, the Economic Development Administration, the U.S. Marshals Service, and the Federal Bureau of Investigation.
- **Transportation, Treasury, Housing and Urban Development [TTHUD].** The omnibus bill reduces overall funding for programs in this bill by some \$1 billion when compared to its fiscal year 2007 allocation. The TTHUD bill provides funding for Federal highway and transit programs, Amtrak, the FAA, the U.S. Treasury, Section 8 vouchers, and the Community Development Block Grant program.

#### SELECTED GIMMICKS

- **Highway Rescission.** The measure offsets a \$3.5-billion increase above the budget resolution by rescinding a corresponding amount of “contract authority” for Federal-Aid highway program. (Contract authority is a specialized form of mandatory budget authority used in transportation programs.) Due to the rescission, H.J.Res. 20 technically complies with budget rules; but because the measure makes no equivalent change in the annual “obligation limitations” – which constrain the actual outlays for most highway and transit spending – it yields no real-world savings.
- **Crime Victims Trust Fund.** The bill assumes \$5.9 billion in BA savings for fiscal year 2007 from one-time changes in mandatory programs, principally the Crime Victims Trust Fund. Specifically, the obligations from the fund are currently capped at \$625 million. The bill would delay the use of funds above that, and thereby claim \$1.253 billion in BA “savings” – even though the funds would be available for obligation the next year.

---

## **EARMARKS**

H.J.Res. 20 does show progress in eliminating earmarks. There are no new earmarks for fiscal year 2007, and the bill technically complies with House earmark disclosure rules.

But the measure fails to eliminate numerous fiscal year 2006 and multiyear earmarks, and allows spending on these programs to go forward. For example, the bill does not eliminate \$44.6 million in unobligated funding for the rainforest in Iowa, and allows fiscal year 2006 earmarks for the Denali and Delta Commissions to go forward, at a cost of \$50 million and \$12 million, respectively. In addition, the bill assumes the continued funding of numerous previously cancelled multiyear earmarks under the jurisdiction of the Energy and Water Appropriations Subcommittee.

In addition, in most cases the funding amounts from deleted earmarks remains. On the face of it, this means that no significant savings result. More important, there is no guarantee that the funds will not still be earmarked surreptitiously in the future, as the measure moves through a conference with the Senate – thus creating a potential new method of earmarking.

## **CONCLUSION**

In conclusion, H.J. Res. 20 complies with budget resolution levels for annually appropriated, “discretionary” spending for fiscal year 2007. But it is really an omnibus appropriations bill that significantly alters priorities – compared with both the President’s request and the current CR – and spends \$6.1 billion more than would result from a normal continuing resolution. It has not been reported by the full Appropriations Committee, and is being brought to the House floor under a closed rule, allowing no amendments.