

THE COMMITTEE ON THE BUDGET

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FARM BILL/BUDGET FOUL-UP
PAYGO VIOLATION STALLS
PASSAGE OF CONGRESSIONAL BUDGET

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Yesterday the 2009 budget for the entire Federal Government was delayed due to the Majority's insistence on violating PAYGO to hide additional spending in the Farm Bill conference report. Here's why:

- Baseline Shopping Hides Costs. According to the Congressional Budget Office [CBO], the use of last year's baseline hides \$3.1 billion in new Farm Bill spending. Using the old baseline violates the Democrats' own pay-as-you-go [PAYGO] rule, and does not reflect economic reality. But the Majority has waived PAYGO and is using the old baseline to create the illusion that the Farm Bill offsets its billions of dollars in new spending.
Passing a Budget Complicates This Sleight-of-Hand. Once Congress passes its fiscal year 2009 budget resolution conference report (which was supposed to come up on the House floor yesterday), the Congress will have to move to a new baseline. Due to a clerical error, the Farm Bill could not be passed yesterday over the President's veto. Thus, the Majority chose to pull the budget resolution, delaying the budget for Defense, Education, Homeland Security, and other programs. If the Majority were not determined to pass a budget-busting Farm Bill, Congress could proceed with the nation's budget.
How Much Does the Farm Bill Truly Cost? Based on the Majority's baseline shopping, PAYGO gimmickry, and other hidden costs, the true cost of the Farm Bill is much higher than advertised by the conferees. In fact, the bill will add at least \$23 billion in new spending over the next 10 years, if not more.

True Costs of the Farm Bill

Table with 2 columns: Cost Category and Amount. Rows include Admitted Cost of the Farm Bill (\$10.0 billion), Baseline Shopping (\$3.1 billion), PAYGO Gimmicks (Timing Shifts, Funding Cliffs) (\$8.5 billion), Special Interest Tax Breaks and Earmarks (\$1.4 billion), and True Cost of the Farm Bill (\$23.0 billion).