



SHATTERING BUDGET DISCIPLINE – AGAIN CONFERENCE REPORT ON THE WARTIME SUPPLEMENTAL

25 April 2007

The conference report on the fiscal year 2007 wartime supplemental – expected to reach the House floor later today – continues the Democrat practice of shattering budget disciplines to satisfy special-interest demands, mostly under the guise of “emergency” spending. It adds about \$20 billion in domestic, non-emergency spending to the President’s original request – which was intended mainly to support troops in combat overseas. These Democrat add-ons follow the \$6-billion increase they adopted in the current-year omnibus appropriations measure. Key points:

- **The Measure Funds Illegitimate Emergencies.** Rather than pass a clean conference report focused on supporting U.S. troops overseas, Democrat conferees added billions in spending for a range of special interest and parochial non-emergency items, such as:
 - *It adds \$3.5 billion in agriculture disaster assistance for crop years 2005, 2006, and part of 2007.* These crops already receive Federal production subsidies through the 2002 farm bill; and eligible producers already have received disaster assistance through mandatory Federal crop insurance and related programs.
 - *It adds \$60.4 million for the shrimp and fishing industries in the Klamath River region of California and Oregon.* The Small Business Administration provided disaster loans last year for the losses incurred by these industries.
- **It Claims Phony Highway Savings.** The Democrat conference report rescinds approximately \$683 million in highway contract authority from core SAFETEA-LU formula programs. But it fails to reduce obligation limitations, which actually control outlays for this spending. Consequently, there are no real savings from the rescission.
- **It Violates Key Budget Rules:**
 - The measure adds \$5.8 billion in new mandatory spending over 2007-17 without offsetting it – disregarding the Democrats’ celebrated commitment to pay-as-you-go [PAYGO] principles.
 - The rule governing debate waives Budget Act points of order that normally would lie against the conference report, ensuring Democrats do not have to abide by their own House PAYGO rule.
 - The rule also ignores the \$6.45-billion nondefense emergency set-aside provided in the budget resolution for the current year, and the Budget Committee failed to meet to raise the limit.
- **It Atones for Democrat Raid on Defense Accounts.** The conference report adds \$3.1 billion for Base Realignment and Closure [BRAC] after Democrats deliberately underfunded BRAC in the recent fiscal year 2007 omnibus. The President, in his fiscal year 2007 budget, requested \$5.6 billion for BRAC, but the omnibus diverted the funding intended to support housing for military families.