



REPUBLICAN CAUCUS

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BRIEF SUMMARY

THE SUPPLEMENTAL SPENDING SPREE (CONTINUED) (H.R. 2206)

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The Democrat leadership and the administration have agreed to a \$120-billion war supplemental for fiscal year 2007 that meets the President’s terms for troop management, but at a price of more than \$17 billion in additional spending. The spending add-ons are not directly related to the War on Terrorism; do not meet any reasonable definition of an “emergency; and do not comply with the Democrats’ own vaunted pay-as-you-go [PAYGO] rule. The total is only \$4 billion less than that of H.R. 1591, which the President vetoed earlier this year partly due to the excess spending.

House action on the bill will take the form of two amendments to legislation returned from the Senate, with separate votes on each amendment. When taken together, the amendments:

- **Flagrantly Violate the Democrats’ Own PAYGO Rule.** The bill adds at least \$3 billion in new mandatory spending in fiscal year 2007 that is not offset and hence violates the Democrats’ PAYGO rule. The spending includes funds for crop disaster aid, the Milk Income Loss Contract [MILC] program and the Conservation Security Program. The spending needs are not unanticipated and therefore would not meet longstanding criteria for “emergency” spending (criteria that House Democrats discarded in their recently passed budget resolution conference report). The rule for H.R. 2206 waives PAYGO.
- **Fund Phony Emergencies.** The measure adds \$17 billion in “emergency” add-ons to “pre-fund” spending outside the fiscal year 2008 discretionary caps. Examples include add-ons for: homeland security (\$1 billion); NASA (\$20 million); assistance to the shrimp and fishing industries (\$110 million); historic building preservation (\$10 million); and an extension for the Secure Rural Schools program (\$425 million).
- **Pay Back a Democrat-Raided Defense Account.** The bill provides \$3.1 billion for BRAC, which Democrats deliberately underfunded in the fiscal year 2007 omnibus appropriations bill.
- **Rely on Highway Rescission Budget Gimmick.** The measure rescinds \$871 million in highway contract authority from the core SAFETEA-LU formula programs. But because obligation limitations that control this type of spending are not reduced as well, there are no real savings.
- **Add Unrelated Authorization Language.** The measure also adds authorization provisions, including an increase in the minimum wage, tax breaks for small businesses, and Mexican-domiciled motor carriers.