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TIME FOR THE SENATE TO UNMASK “EMERGENCY” SPENDING

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On March 30, the U.S. House of Representatives passed a fiscal year (FY) 2000 supplemental appropriations bill (H.R. 3908) to release an additional \$12.7 billion in spending. This supplemental spending bill contains appropriations that are more than double the \$5.5 billion requested by President Bill Clinton. If Congress is committed to fiscal discipline, the Senate should not follow the House's lead or, at the very least, should insist on reductions that would offset the new spending this bill contains. The budget surpluses should not be viewed as a license to spend Americans' overpayments of their taxes irresponsibly. Today's spending authorizations will be tomorrow's commitments, and if the economy were to slow down while spending continues to grow, the projected surpluses could quickly evaporate.

H.R. 3908 meets few, if any, of the criteria for emergency spending. Not one line item meets the “necessary, sudden, urgent, unforeseen and temporary” criteria used by the White House Office of Management and Budget (OMB) for emergency spending. The largest appropriations are for counternarcotics operations in Colombia (\$1.7 billion); defense expenditures related to the Kosovo intervention (\$4.9 billion); and relieving high oil prices by expanding the availability of federal funds to recipients of Low Income Heating Assistance Payments (LIHEAP) in New England (\$2.2 billion). The bill also provides funding for a new building for the Food and Drug Administration (FDA) and the manned space flight program. Some of these

expenditures may be necessary, but none of them satisfy the OMB's definition of “emergency” spending.

Spurious “Emergencies.” Much of the spending in the FY 2000 supplemental appropriations package is little more than new spending masked as “emergency” spending. Indeed, the need for such spending is due more to poor planning and a lack of direction in areas of both domestic and foreign policy. Many had predicted that deploying U.S. troops to Kosovo would result in an open-ended and costly commitment in the Balkans. The drug wars in Colombia have been ongoing for more than 20 years. And it is no surprise that New England winters can be cold or that America's dependence on foreign oil without a thriving domestic energy market leaves citizens vulnerable. It is curious that replacement of a 40-year-old FDA building now is a national emergency and that NASA's manned space flight program needs an emergency allocation of \$75 million. None of these items are true emergencies, and Congress and the

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Administration should have planned for them during the FY 2000 budget process last year.

Accounting Gimmicks. The most egregious component of the FY 2000 supplemental appropriations bill is the repetition of accounting gimmicks used by Congress during last year's appropriations process. During the waning months of 1999, Congress appropriated budget authority for FY 2000 but used a number of accounting gimmicks to shift the government's actual payments for that authority to FY 2001. For example, military and civilian pay dates were shifted from September 30 to October 1; agencies were directed to write contracts in FY 2000 and delay payment until FY 2001; and the Congressional Budget Office (CBO) was directed to assume a slower than normal payment rate for federal expenditures. The goal in each case was to mask the true size of total expenditures, allowing Congress to spend more in FY 2000 without appearing to have dipped into the Social Security trust fund.

Now that CBO projections indicate that revenues in FY 2000 will exceed projections, the House wants to use the same payment-shifting accounting gimmicks to move \$6.5 billion in spending from FY 2001 back into FY 2000. The House is not planning to save a penny of the \$6.5 billion; it is merely changing the date that expenditures would be recorded so that Congress can spend an additional \$6.5 billion in FY 2001.

What Congress Should Do. If Congress wants to wrap up the FY 2001 budget and avoid problems at the end of the fiscal year, wasting time on a supplemental appropriations bill that squanders the surplus would be a terrible mistake. Senate Majority Leader Trent Lott (R-MS) deserves to be commended for his pledge to reject any supplemental spending bill and appropriate any needed funds through early action on FY 2001 appropriations bills. The rest of the Senate should join him in hon-

oring his commitment to fiscal responsibility. Considering emergency supplemental appropriations bills consumes valuable time in Congress and, as the House has demonstrated, requires difficult negotiations to limit the number and amount of extraneous pork-barrel expenditures that could be included—a task not easily accomplished.

At the very least, Congress should offset any emergency supplemental appropriations with equivalent reductions in federal spending in lower priority areas. According to the annual OMB report on object class expenditures for FY 2000, the federal government spends \$29 billion on supplies and materials, \$4.7 billion on part-time help, \$7.3 billion on transportation of persons, \$4.6 billion on advisory contracts, and an amazing \$43.9 billion on ill-defined "other services." Last year, Congress enacted a very modest across-the-board spending cut to meet its spending targets. There is no reason why Congress could not do this again, applying the cuts by object class rather than pitting one program against another, to yield the necessary savings and maintain some semblance of fiscal discipline.

Conclusion. Members of the Senate should not join their colleagues in the House in their attempt to open the floodgates to supplemental spending. Instead, the Senate should demonstrate fiscal leadership and responsibility by insisting that any items that are not true emergencies be considered during the normal FY 2001 appropriations process. The spending priorities that are truly important will survive the regular appropriations process; those that do not should not be given back-door access to the federal Treasury through a less-than-urgent supplemental appropriations bill.

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