

# WebMemo



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## Omnibus Spending Bill Busts the Budget to Pay for Pork

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The 3,417-page (and counting) omnibus appropriations bill unveiled by Democratic appropriators provides further evidence that Congress has failed to curb its addiction to spending and pork. On the surface, the bill adheres to President Bush's \$932 billion cap on discretionary spending. However, the bill employs enough gimmicks to push total discretionary spending nearly \$20 billion above the President's requested level.

Congress would not have to resort to such budget-busting gimmicks if it had not raised the total number of earmarks in the fiscal year 2008 appropriations bills to more than 11,000. Costing approximately \$20 billion, this pork violates Congress's own pledge to cut the number of earmarks in half from the 2005 peak. Congress should scrap the earmarks and use the savings to offset the "emergency spending." If it refuses, President Bush should veto the bill and insist on a year-long continuing resolution (keeping remaining discretionary spending frozen at fiscal year 2007 spending levels), which would save taxpayers more than \$30 billion relative to the omnibus.

**Busting the Budget with Pork.** Congressional appropriators are busting the budget with pork. The omnibus adds an estimated 9,170 earmarks to the 2,161 projects included in the recently passed defense appropriations bill. The final cost for these 11,331 earmarks will likely be around \$20 billion.

Not coincidentally, this omnibus bill also pushes discretionary spending approximately \$20 billion above the President's request (\$6.4 billion in the

defense appropriations bill and \$13.2 billion in the omnibus). Of course, Congress obscures this additional spending with gimmicks such as abuse of the "emergency" designation. Rather than admit that the \$20 billion in pork is busting the budget, Congress instead placed the pork in the base bill and assigned the "emergency" designation to higher priority spending such as border security and veterans' health. Money is fungible, however, and the \$20 billion currently set aside for pork should be cut to pay for the other spending. This \$20 billion is not a trivial amount; it is equal to the entire federal personal income tax liability for the states of Iowa, New Hampshire, New Mexico, West Virginia, and Delaware combined.<sup>1</sup>

### **Key Benchmarks for Fiscal Responsibility.**

Before the omnibus bill was released, The Heritage Foundation set five key benchmarks for determining whether the forthcoming bill would be fiscally responsible. This bill fails to meet four of those benchmarks.

*Benchmark 1: Cap discretionary spending at the President's proposed \$932 billion level. Grade: Fail.*

Real fiscal responsibility requires that Congress live within reasonable means. Given that discretion-

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ary spending has already increased by an average of 9 percent annually since 2001, the President's proposed 6.9 percent hike is more than sufficient. The omnibus bill misleadingly appears to stick to this budget cap, but Benchmark 2 exposes the gimmicks that effectively breach the cap.

**Benchmark 2: Refrain from abusing the “emergency” loophole and other budget gimmicks. Grade: Fail.**

Capping discretionary spending at \$932 billion is meaningless if it excludes billions of dollars in gimmicks. The defense appropriations bill, signed a month ago, already contained an additional \$6.4 billion in “emergency” spending that does not count against budget caps.<sup>2</sup> The omnibus adds \$13.2 billion more in gimmicks, including:

- \$2 billion in advance appropriations (FY 2008 spending that is counted in the FY 2009 totals in order to evade current budget caps) in the labor–HHS–education bill;
- \$3.7 billion in “emergency” veterans’ health funding in the milcon/VA bill;
- \$2.9 billion for “emergency” border security in the homeland security bill;
- \$2.4 billion for various “emergency” provisions in the state/foreign ops bill;
- \$1 billion for “emergency” drought relief (despite record farm incomes), wildfires, and other purposes in the agriculture bill;
- \$100 million for unprecedented “emergency” security spending for the GOP and Democratic national conventions in the commerce–justice–science bill;
- \$1.1 billion in other “emergencies”; and
- This total does not even count the billions of dollars in potentially dubious rescissions (offsets) that produce no real savings.

Between the defense bill and the omnibus bill, this additional \$19.6 billion brings FY 2008 discretionary spending to \$952 billion, nearly as high as the congressional Democrats’ original proposal. Classifying non-emergency expenditures as “emergency” spending does not save taxpayers a dime. The only purpose is to create the illusion that lawmakers are working within budget constraints.

If this spending is truly necessary, lawmakers should offset it elsewhere. Eliminating many of the more than 11,000 pork projects (and reducing the program budgets by the earmarked amount) would save billions of dollars, and agencies would still have the same amount of money to disburse based on merit and statutory formulas.

Additionally, lawmakers should reduce wasteful spending, such as the Advanced Technology Program, a corporate welfare program that was given \$65 million despite being deauthorized by Congress earlier this year.<sup>3</sup>

They could also cancel the pay raise they provide to themselves. Alternatively, a 4 percent across-the-board cut could accommodate the entire \$19.6 billion added. Rather than force taxpayers to pay more, lawmakers must tighten their own belts and cut the gimmicks.

**Benchmark 3: Keep pledge to halve earmarks. Grade: Fail.**

Both Congress and the White House have pledged to cut the number of pork projects in half—from the 2005 peak of 13,492 down to 6,746.4 The currently estimated 11,331 earmarks (9,170 in the omnibus, plus 2,161 previously enacted in the defense appropriations bill) would brazenly violate a pledge that elected officials made to the American people.<sup>5</sup>

Lawmakers posted both the bill and conference report online. And while the bill itself is searchable,

1. Individual Income Tax Returns: Selected Income and Tax Items by State, ZIP Code and Size of Adjusted Gross Income, Tax Year 2005.
2. P.L. 110-116 included \$5.9 billion in emergency spending related to Hurricane Katrina recovery and \$500 million for wildfire relief, without any offsets.
3. See Brian M. Riedl, “Congress Should Follow the President and Eliminate the Advanced Technology Program,” Heritage Foundation Backgrounder No. 1828, March 1, 2005, at [www.heritage.org/Research/Budget/bg1828.cfm](http://www.heritage.org/Research/Budget/bg1828.cfm).

lawmakers chose to post the conference report, which includes nearly all the pork projects, in a non-searchable format. This raises concerns that the appropriations committees are making it difficult for taxpayers to identify certain earmarks quickly.

Notably, page 173 of the labor–HHS–education conference report removes the prohibition, previously passed by the Senate, on funding the “Woodstock Museum” in Bethel, NY—a project that had been championed by Senator Hillary Clinton (D–NY).

*Benchmark 4: Exclude unrelated policy riders. Grade: Pass.*

Riders mandating unrelated policy changes have no place in spending bills. Lawmakers apparently did the right thing and removed the vast majority of riders from the bill. However, some riders restricting competitive sourcing remain.<sup>6</sup>

*Benchmark 5: Give Congress time to read the omnibus bill. Grade: Fail.*

Congressional Democrats plan to force a vote on this 3,417-page bill on the evening of December 17—just 24 hours after the bill’s release (and the bill continued to be amended over that period). Forcing lawmakers to vote on a massive spending bill without providing them with sufficient time to read its contents is irresponsible, undemocratic, and an abdication of Congress’s role in carefully crafting legislation. This legislation is too important to pass without any debate over, or knowledge of, its con-

tents. Lawmakers should have at least two days to read and consider the legislation before voting on it.

**Iraq Funding.** Finally, the omnibus bill provides \$31.2 billion in funding for the troops in Afghanistan. After House passage, the Senate would be expected to add funding for the troops in Iraq. It is vitally important that such funding be provided. While there are legitimately differing views on American foreign policy, all lawmakers should agree that defunding the troops in Iraq and putting them in harm’s way is a dangerous and irresponsible way to express those views.

**Conclusion.** Congress pledged to limit discretionary spending to President Bush’s \$932 billion request and to cut the number of earmarks in half from the 2005 peak level. This omnibus bill breaks both pledges. With more than 11,000 earmarks costing approximately \$20 billion, Congress decided to bust the budget by \$20 billion through the use of gimmicks. Lawmakers should reject such irresponsible budgeting and eliminate the pork projects in order to offset any new spending. Otherwise, President Bush should veto this bill and insist on a year-long continuing resolution that would likely save taxpayers more than \$30 billion relative to the omnibus.

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4. Kevin Bogardis, “Appropriators, OMB Differ on How to Cut Earmarks,” The Hill, May 21, 2007, at <http://thehill.com/business--lobby/appropriators-omb-differ-on-how-to-cut-earmarks-2007-05-21.html>.

5. Taxpayers for Common Sense has estimated the number of earmarks in the defense appropriations bill at 2,161. See [www.taxpayer.net/budget/fy08appropschart.html](http://www.taxpayer.net/budget/fy08appropschart.html).

6. See Financial Services and General Government, Section 739; Agriculture, Section 730; Energy and Water, Section 103; Interior and Environment, Section 415; and Labor-HHS-Education, Section 111.