

# WebMemo



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## Omnibus Spending Bill: Huge Spending and 9,000 Earmarks Represent Business as Usual

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Even a recession and record \$1.4 trillion budget deficit has not altered Congress's business-as-usual culture of spending and pork. While families and entrepreneurs are responsibly bringing their own budgets under control, Congress is spending and earmarking as if nothing has changed in the economy. The House has already passed—and the Senate will soon take up—a mammoth FY 2009 omnibus appropriation bill<sup>1</sup> that:

- Provides an 8 percent discretionary spending hike for the second consecutive year;
- Combines with the “stimulus” bill for a staggering 80 percent increase in these discretionary programs;
- May contribute to a permanent \$2,000 per-household tax hike;
- Contains 9,287 pork projects at a cost of nearly \$13 billion; and
- Likely terminates the Washington, D.C., school voucher program, removing 1,715 low-income students from their current schools.

This bill represents nearly everything Democrats had criticized about the earlier Republican Congresses. It forces lawmakers to vote quickly on a bloated package combining nine separate appropriations bills. It irresponsibly expands the already-record budget deficit. And despite strongly worded proclamations about cleaning up Washington, the 2009 appropriation bills will have the second-most earmarks in history. During this time of recession and skyrocketing budget deficits, America cannot

afford budgets that continue to spend and earmark as usual.

**Runaway Spending.** The omnibus spending bill increases discretionary spending by 8 percent for the second consecutive year. But that is only part of the story. These same discretionary programs have already received much of the colossal \$1.1 trillion stimulus bill enacted recently. Counting those funds, this omnibus spending will finalize a staggering 80 percent spending increase for these programs in 2009—from \$378 billion to \$680 billion (see Table 1).<sup>2</sup> This spending binge is virtually unprecedented in American history.

Domestic discretionary programs—the subject of most of the omnibus bill—have not exactly been starved in the past, either. From 2001 through 2008, these programs grew 23 percent faster than inflation, due in part to large increases for education (35 percent), health research (37 percent), and veterans' benefits (54 percent).<sup>3</sup> Clearly, these programs do not need even more budget increases. Yet rather than ask federal agencies to join the American people in some recessionary belt-tightening, Congress expanded these programs by 8 percent last year and is in the process of adding another 8

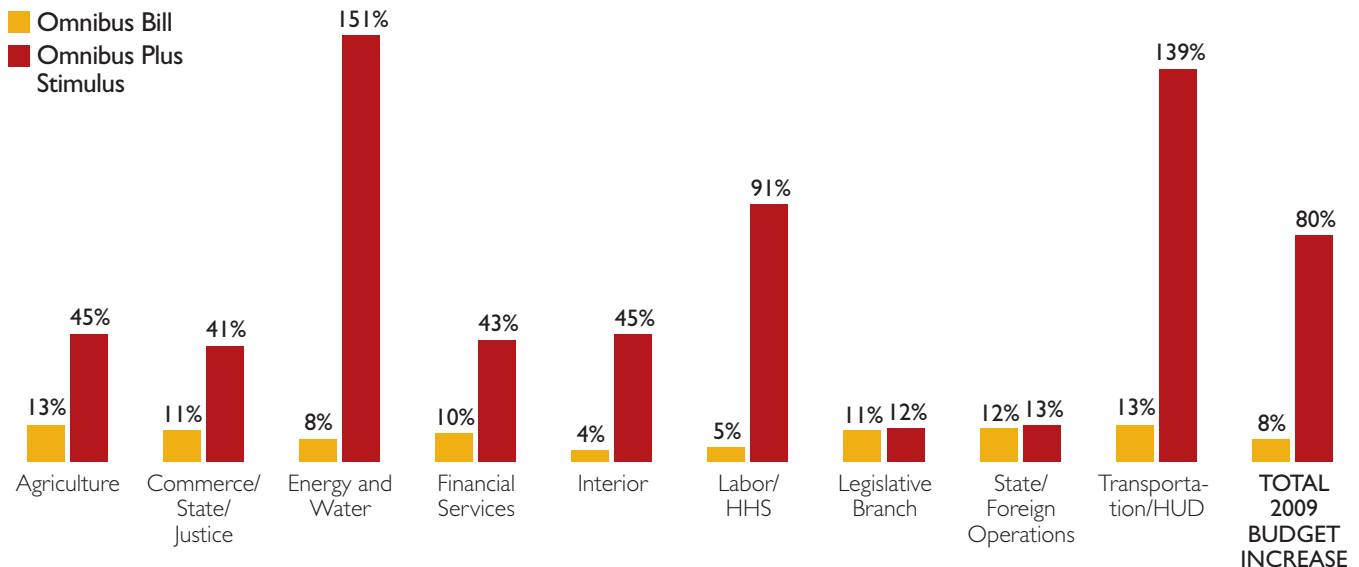
This paper, in its entirety, can be found at:  
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## Domestic Discretionary Spending Will Rise 80 Percent in 2009



Source: House Appropriations Committee (Republicans), "FY 2009 Omnibus Summary," February 23, 2009, at [http://republicans.appropriations.house.gov/\\_files/22309OmnibusSummary.doc](http://republicans.appropriations.house.gov/_files/22309OmnibusSummary.doc) (March 2, 2009).

Chart 1 • WM 2318  [heritage.org](http://heritage.org)

percent this year—not even counting the historic 71 percent hike resulting from the “stimulus.”

Some insist that this “stimulus” spending will be only temporary. Yet it is difficult to imagine lawmakers allowing programs like Pell grants and health spending to return to their original levels in two years. Consequently, much of this 80 percent discretionary spending surge is likely to eventually become part of the permanent discretionary spending baseline. This would permanently raise spending—and therefore taxes—by over \$2,000 per household annually.

Regrettably, the omnibus bill does not offset this new spending. In failing to offer spending reductions, congressional appropriators ignored:

- At least \$55 billion in annual program overpayments;

- \$60 billion for corporate welfare;
- \$123 billion for programs for which government auditors can find no evidence of success;
- \$140 billion in potential budget savings identified in the Congressional Budget Office’s (CBO) “Budget Options” books; and
- Massive program duplication, such as the 342 economic development programs, the 130 programs serving the disabled, the 130 programs serving at-risk youth, and the 90 early childhood development programs.<sup>4</sup>

Unfortunately, taxpayers should perhaps expect more of the same over the next few years. President Obama has already signed into law a large expansion of the State Children’s Health Insurance Program (SCHIP), as well as a budget-busting \$1.1 trillion “stimulus” bill. Many of the “stimulus” pro-

1. Omnibus Appropriations Act of 2009, H.R. 1105, 111th Cong., 1st Sess.
2. Based on data provided by the House Appropriations Committee, Minority Staff.
3. Brian M. Riedl, “Federal Spending by the Numbers: 2008,” Heritage Foundation *WebMemo* No. 1829, February 25, 2008, at <http://www.heritage.org/Research/Taxes/wm1829.cfm>.
4. *Ibid.*

visions—such as education, infrastructure, and the weakening of the 1996 welfare reforms—are long-term government expansions that have nothing to do with immediate stimulus. President Obama has not yet offered the tough decisions he has promised.

**9,287 Earmarks.** Although Democrats strongly criticized the proliferation of earmarks under Republican rule, they have made no serious efforts to pare them back. The omnibus bill spends \$12.8 billion on 9,287 earmarks.<sup>5</sup> When combined with the early 2009 spending bills (\$16.1 billion spent on 2,627 earmarks<sup>6</sup>), the 2009 total comes to 11,914 earmarks at a cost of \$28.9 billion. This represents the second most earmarks—and the second highest cost—in American history.<sup>7</sup>

Clearly, the earmark culture has not been swept away. *The Washington Post* recently summarized a Taxpayers for Common Sense study that found that “60 percent of the members of the House Armed Services Committee who arranged earmarks also received campaign contributions from the companies that received the funding. Almost all the members of the committee received campaign contributions from companies that got earmarks this year.”<sup>8</sup> And yet despite repeated scandals—some resulting in lawmakers being sentenced to prison—the number of annual earmarks continues to increase. Lawmakers have even rejected a modest proposal to temporarily suspend earmarks until the process can be cleaned up.<sup>9</sup>

In addition to waste and corruption, lawmakers’ obsession with pork raises a larger concern about

the role of Congress. Members of the U.S. Congress—a national legislature that has historically debated war, Americans’ rights, and broad economic policy—have become, in the words of Rep. Dan Lungren (R–CA), “mere errand boys for local government and constituents.”<sup>10</sup>

The American people elected their federal lawmakers to focus on national priorities like recession, job losses, the financial collapse, and the war on terrorism. And yet these lawmakers failed to pass appropriations bills by the start of the fiscal year and instead spent a substantial portion of 2008 securing pork projects such as:

- \$1,049,000 to combat Mormon Crickets in Utah;
- \$332,500 to build a school sidewalk in Franklin, Texas;
- \$225,000 for Everybody Wins!;
- \$200,000 for a tattoo removal program in Mission Hills, California;
- \$190,000 for the Buffalo Bill Historical Center in Cody, Wyoming;
- \$237,500 for theater renovation in Merced, California; and
- \$75,000 for the Totally Teen Zone in Albany, Georgia.

To view a list of pork projects in the FY 2009 omnibus, visit <http://www.heritage.org/Research/Budget/upload/porktable.html>

Tending to such matters is why state and local governments exist. Perhaps Congress does not

5. Earlier FY 2009 earmark totals are listed at *CR + Minibus + Supplemental Spending*, Budget Committee, U.S. House of Representatives, 111th Cong., 1st Sess., September 24, 2008, at [http://www.house.gov/budget\\_republicans/press/2007/pr20080924minibus.pdf](http://www.house.gov/budget_republicans/press/2007/pr20080924minibus.pdf) (March 2, 2009).

6. Omnibus earmark totals calculated by The Heritage Foundation using Congressional data.

7. See Citizens Against Government Waste, “Pork-Barrel Report,” at [http://www.cagw.org/site/PageServer?pagename=reports\\_porkbarrelreport](http://www.cagw.org/site/PageServer?pagename=reports_porkbarrelreport) (March 2, 2009). Only in FY 2005 did the number and (inflation-adjusted) cost of earmarks exceed this year’s total.

8. Robert O’Harrow, Jr., “Earmark Spending Makes a Comeback,” *The Washington Post*, June 13, 2008 at [http://www.washingtonpost.com/wp-dyn/content/article/2008/06/12/AR2008061204282\\_pf.html](http://www.washingtonpost.com/wp-dyn/content/article/2008/06/12/AR2008061204282_pf.html) (March 2, 2009).

9. By a 71–29 vote, the Senate rejected a temporary earmark moratorium on March 13, 2008. See U.S. Senate, “U.S. Senate Roll Call Votes 110th Congress: 2nd Session,” at [http://www.senate.gov/legislative/LIS/roll\\_call\\_lists/roll\\_call\\_vote\\_cfm.cfm?congress=110&session=2&vote=00075](http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=110&session=2&vote=00075) (March 2, 2009).

10. John Fund, “Time for a Time-Out?” *OpinionJournal.com*, September 18, 2006, at <http://www.opinionjournal.com/diary/?id=110008960> (March 2, 2009).

believe that local governments can handle the job; former House Speaker Dennis Hastert (R-IL) endorsed congressional pork by asking rhetorically, “Who knows best where to put a bridge or a highway or a red light in their district?”<sup>11</sup> Not mayors or city councils, apparently.

Of course, lawmakers say these projects are vital to “bringing home federal dollars.” In reality, many earmarks are carved out of funding streams that were already coming back to state and local governments and local organizations anyway. All of the earmarks taken from the \$5 billion Community Development Block Grant program for parks, pools, street signs, and community centers just reduce the pot of money left over to distribute to local governments for the projects they would choose. And by diverting transportation dollars into projects that are often frivolous and having nothing to do with reducing congestion or improving mobility, earmarks starve higher-priorities like road maintenance and construction, which in turn forces Congress to increase spending to replenish that funding. But earmarks generate press releases and campaign contributions for lawmakers who have only tied strings to federal money that was already coming home.

Last year, President Bush signed an executive order mandating that federal agencies ignore earmarks that appear in non-binding conference reports and instead implement only those in the bill text.<sup>12</sup> That executive order currently remains in

effect. President Obama, who campaigned on ending politics-as-usual in Washington, could strike a blow to the earmark culture by simply leaving this executive order in place. Doing so would eliminate all earmarks that Congress has not incorporated by reference into the omnibus bill text. He should go one step further and veto any omnibus bill that explicitly has earmarks.

**No End in Sight.** In the past six months, Congress has enacted a \$700 billion financial bailout and a \$1.1 trillion stimulus. It has also expanded health insurance subsidies and is considering an expensive homeowner bailout. Now, with an 8 percent discretionary spending hike, Congress has seemingly lost the ability to say “no.” Runaway spending and budget deficits threaten to steeply increase interest rates and eventually result in painful tax increases. If Congress cannot even reduce the number of pork projects in this environment, there is little reason to believe it is ready to make the truly difficult choices on large programs like Social Security, Medicare, and Medicaid. If Congress cannot strip the unnecessary earmarks and pare back the spending increase in this omnibus bill, the President should show the nation he is well prepared to use his veto pen.

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11. Robert Novak, “Looking to Fry Pork,” *The Washington Post*, January 30, 2006, p. A17.

12. Executive Order No. 13457, January 29, 2008.