

WebMemo



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Business as Usual in Washington: Another Bloated, Pork-Filled Omnibus Spending Bill

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It is business as usual in Washington. Despite a recession and record \$1.4 trillion budget deficit, Congress continues to accelerate runaway 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. Congressional leaders are attempting to rush through a mammoth, 1,088-page fiscal year (FY) 2010 omnibus appropriation bill¹ that:

- Provides an 8 percent discretionary spending hike for the third consecutive year;
- Provides these spending hikes in addition to \$311 billion in earlier stimulus funding for these discretionary programs; and
- Includes approximately 5,224 earmarks, bringing the FY 2010 total to 8,939, with a pork-laden defense bill expected to push the final total over 10,000.

Assuming passage of the omnibus bill and a separate defense appropriations bill, the three-year-old Democratic congressional majority will have:

- Spent \$561 billion more than the baseline level for discretionary programs;
- Pushed up the 2011–20 discretionary spending baseline by \$1.7 trillion—nearly \$1,500 per household annually; and
- Been responsible for three of the five highest earmark years in American history.

Last year's budget deficit of 10 percent of the economy (\$1.4 trillion) shattered the post-war record. Far from just a temporary result of the recession, current estimates show the budget deficit rising to nearly \$2 trillion by 2019.² At that point, the debt would be nearly 100 percent of the economy.

These spending bills represent a complete denial of America's deteriorating fiscal situation. While rapidly expanding entitlement bills, Congress is providing yet another 8 percent increase for discretionary programs and another 10,000 earmarks. Congress is leading America down a path that could soon require tax increases of more than \$10,000 per household just to balance the budget.

Runaway Spending. This year's appropriations bills will increase discretionary spending by 8 percent for the third consecutive year since the Democrats took control of Congress in 2007. In those three years, regular discretionary spending has jumped 25 percent, from \$873 billion to \$1,090 billion. But that is not all. The recent stimulus bill provided an additional \$311 billion in "emergency" discretionary spending. Altogether, the last three congressional Democratic budgets have spent \$561

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billion more in discretionary spending than if they had limited growth to the baseline inflation rate.³

Non-defense discretionary programs—which have received most of the increases—have not exactly been starved in the past, either. From 2001 through 2008, these outlays grew 32 percent faster than inflation, due in part to large increases for education (31 percent), health research (30 percent), and international affairs (47 percent).⁴

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 gave these programs an 8 percent increase in FY 2009 and is in the process of adding another 8 percent for FY 2010—not even counting the historic \$311 billion in additional “stimulus” funding for these programs.

Despite a \$1.4 trillion budget deficit, this bill includes:

- A 120 percent increase for the Low Income Home Energy Assistance Program;
- A 30 percent increase for the Corporation for National and Community Service;
- A 22 percent increase for the controversial Essential Air Service; and
- A 9 percent increase for Amtrak.

Even before the omnibus bill was unveiled, the five appropriations bills that passed in October and November included:

- A 67 percent increase for the Environmental Protection Agency’s State and Tribal Assistance Grants;
- A 38 percent increase for International Food Aid;

- A 20 percent increase for the Transportation Security Administration;
- An 8.4 percent increase for Lawmakers’ Office Allowances;
- An 8.1 percent increase for the National Endowment for the Arts; and
- An 8.1 percent increase for the National Endowment for the Humanities.

Each large annual discretionary spending increase becomes part of the permanent discretionary spending baseline. In fact, the steep increases over the past three years have added \$1.7 trillion to the 2011–20 discretionary spending baseline—nearly \$1,500 per household annually.⁵

Unfortunately, the President’s budget agenda would continue this spending spree indefinitely. Federal spending (which has remained around 20 percent of economy since the 1950s) would surpass 28 percent of economy by 2019. Federal spending per household would rise from \$25,000 per household in 2008 to more than \$37,000 per household by 2019.⁶

This spending would drive a permanent, unprecedented increase in the national debt. After borrowing just under \$6 trillion from 1789 through 2008 (plus nearly \$2 trillion in 2009), Washington would borrow \$13 trillion over the next decade—nearly \$100,000 for every household. By 2019, annual budget deficits would approach \$2 trillion and push the public debt to nearly 100 percent of the economy. Merely paying the interest on this debt would soon cost taxpayers \$1 trillion annually, and spending and deficits would continue to rise.⁷

1. H.R. 3288, 111th Cong., 1st Sess.

2. Brian M. Riedl, “President Obama’s Agenda Would Bring \$13 Trillion in Budget Deficits, Not \$9 Trillion,” Heritage Foundation *Backgrounder* No. 2319, September 22, 2009, at <http://www.heritage.org/Research/Budget/bg2319.cfm>.

3. Heritage Foundation calculations comparing total discretionary budget authority from FY 2008 through FY 2010 to a baseline that assumes it had grown at the inflation rate above the FY 2007 base level of \$873 billion.

4. Office of Management and Budget, *Budget of the United States Government: 2010, Historical Tables*, Table 8.7, at <http://www.whitehouse.gov/omb/budget/fy2010/assets/hist08z7.xls> (December 10, 2009). Numbers then adjusted for inflation.

5. FY 2010 discretionary spending is \$156.5 billion higher than if it had grown at the inflation rate the past three years. Assuming annual growth of inflation, this increases the 2011–20 baseline by a cumulative \$1.7 trillion.

6. Adjusted for inflation.

7. Riedl, “President Obama’s Agenda Would Bring \$13 Trillion in Budget Deficits, Not \$9 Trillion.”

Another Year of 10,000 Earmarks?

Obama and Biden will slash earmarks to no greater than 1994 levels.

—Change.gov, the official Obama/Biden campaign website.⁸

If my administration evaluates an earmark and determines that it has no legitimate public purpose, then we will seek to eliminate it.

—President Obama, March 11, 2009.⁹

If Congress sends me a defense bill loaded with a bunch of pork, I will veto it.

—President Obama, August 17, 2009.¹⁰

Democrats took control of Congress in 2007 after blasting the proliferation of earmarks under Republican rule—and then broke nearly every promise to scale them back.

The final enacted Republican budget (FY 2006) contained 9,963 earmarks. After finishing the late FY 2007 appropriations bills with a year-long continuing resolution, the Democratic Congress proceeded to enact 11,610 and 10,160 earmarks the following two years. The omnibus spending bill brings the number of FY 2010 earmarks to an estimated 8,939—with the coming defense bill estimated to push the total over 10,000. Despite blasting the Republican majority for topping 10,000 earmarks twice in 12 years, the Democratic majority will have topped it three years in a row.

President Obama promised to reduce earmarks down to the 1994 level of 1,318. He then signed into law most of the 10,160 earmarks for FY 2009

and appears set to sign over 10,000 earmarks into law for FY 2010.

The President also pledged to veto defense earmarks and eliminate all earmarks with “no legitimate public purpose.” Yet the President has not threatened to veto the pork-laden defense bill and is not known to have tried to eliminate a single earmark.

House Democrats pledged to reduce earmark spending to 1 percent of all discretionary appropriations (or approximately \$11 billion).¹¹ However, the appropriations bills have already topped \$11 billion in earmarks even before the defense bill is expected to add several billion dollars more.

House Democrats also promised to require that all House Members post their earmark requests online.¹² Dozens of lawmakers failed to do so by the deadline.¹³ Many who did post their earmarks buried them in obscure parts of their office Web sites.

Clearly, the earmark culture has not been swept away. *The Washington Post* 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.”¹⁴ And yet despite repeated scandals—some resulting in lawmakers being sentenced to prison—the number of annual earmarks continues to increase. Lawmakers in 2008 rejected a modest proposal to temporarily suspend earmarks until the process could be cleaned up.¹⁵

In addition to waste and corruption, lawmakers’ obsession with pork raises a larger concern about the role of Congress. Members of the U.S. Con-

8. Change.gov, “Fiscal Agenda,” at http://change.gov/agenda/fiscal_agenda (December 10, 2009).

9. Federal News Service, “Remarks by President Barack Obama on Earmark Reform,” Project Vote Smart, March 11, 2009, at http://www.votesmart.org/speech_detail.php?sc_id=452720 (December 10, 2009).

10. “Remarks by the President at the Veterans of Foreign Wars Convention,” Project Vote Smart, August 17, 2009, at http://www.votesmart.org/speech_detail.php?sc_id=489871 (December 10, 2009).

11. Press release, “Pelosi, Hoyer and Obey Announce Further Earmark Reforms,” Office of House Majority Leader Steny Hoyer, March 11, 2009, at <http://www.majorityleader.gov/media/press.cfm?pressReleaseID=2873> (December 10, 2009).

12. *Ibid.*

13. Bill Allison, “Links to House Earmark Disclosures in One Database,” Sunlight Foundation blog, April 6, 2009, at <http://realtime.sunlightprojects.org/2009/04/06/links-to-house-earmark-disclosures-in-one-database> (December 10, 2009).

14. 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 (March 2, 2009).

gress—a national legislature that has historically debated war, Americans’ rights, and broad economic policy—have become, in the words of Congressman Dan Lungren (R–CA), “mere errand boys for local government and constituents.”¹⁶

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 nearly all appropriations bills by the start of the fiscal year and instead spent a substantial portion of this year securing pork projects such as:

- \$750,000 for the World Food Prize in Des Moines, IA;
- \$350,000 for the Museum of Aviation in Warner Robins, GA;
- \$250,000 for a bike path between Lexington and Port Sanilac, MI;
- \$350,000 to widen Bristol Street in Santa Ana, CA;
- \$300,000 to Carnegie Hall in New York City;
- \$200,000 to renovate the Laredo Little Theatre in Laredo, TX; and
- \$400,000 to renovate the historic Ritz Theater in Newburgh, NY.

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

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?”¹⁷ Not mayors or city councils, apparently.

No End in Sight. In the past year, Congress has passed a \$700 billion financial bailout and a \$1.1 trillion stimulus. They are also considering a \$1.2 trillion health care expansion, a \$200 billion Medicare “doc fix,” and an \$800 billion cap-and-trade bill. Now, with another 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 they are 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 prepared to use his veto pen.

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15. 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 (December 10, 2009).

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

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