

# WebMemo



Published by The Heritage Foundation

No. 1737  
December 12, 2007

## Five Benchmarks for the Omnibus Spending Bill

*Nicola Moore, Stephen Keen, and Brian Riedl*

Nearly three months into the new fiscal year, only one of the 12 appropriations bills for fiscal year 2008 has been signed into law. As the holidays approach, the Democratic Congress has given up on the responsible approach of passing each spending bill individually; instead, it will cluster the 11 remaining bills into a single omnibus appropriations bill that would fund much of the federal government. While the rest of Congress waits for the House and Senate Democratic leadership to finally reveal the nearly \$1 trillion omnibus bill, rumors are circulating that the final product will be larded up with excessive spending, pork, riders, and gimmicks. Lawmakers should insist on fiscal responsibility by opposing those components; if they do not, the omnibus bill will deserve the veto pen.

**A Year of Runaway Spending.** The Democratic majority has broken their promise of fiscal responsibility. In a mere 10 months, the 110th Congress has passed legislation that would increase discretionary spending by \$275 billion, and entitlement spending by \$179 billion, over 10 years.<sup>1</sup> For instance, Congress has passed legislation expanding the State Children's Health Insurance Program (SCHIP) by \$127 billion, increased student financial aid by \$16 billion, and is close to passing farm legislation that would add \$20 billion—all over 10 years. Congress has talked the talk on fiscal responsibility, but they have not walked the walk.

**What an Omnibus Bill Must Do.** A responsible omnibus spending bill must satisfy the following five benchmarks:

1. **Cap discretionary spending at the President's proposed \$932 billion level.** Real fiscal responsibility requires that Congress live within reasonable means. Therefore, the President's top-line discretionary spending request of \$932 billion should function as a ceiling, not a floor. Given that discretionary 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. Yet, congressional appropriations bills have added \$22 billion to discretionary spending, bringing the annual spending increase to 9.4 percent. This additional \$22 billion is not trivial: 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>2</sup> At \$225 per household, families would have to cut a quarter of their Christmas budget to fund it.<sup>3</sup> And if it becomes part of the permanent spending baseline, its cost would balloon to \$275 billion over 10 years.

The Democratic Congress's more recent proposal to limit the additional spending to \$11 billion is also unacceptable, as it represents a steep 8 percent spending hike. There is enough wasteful and

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/Budget/wm1737.cfm](http://www.heritage.org/Research/Budget/wm1737.cfm)

Produced by the Thomas A. Roe Institute  
for Economic Policy Studies

Published by The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002-4999  
(202) 546-4400 • [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

unnecessary spending in the budget to offset whatever additional spending Congress wishes to add to the President's generous increase.

2. **Refrain from abusing the “emergency” loophole and other budget gimmicks.** Congress is reportedly considering designating as “emergency spending” an additional \$7 billion for projects such as border security, nutrition programs, and low-income heating aid. Doing so would exempt the \$7 billion from budget caps, vaulting all end-of-year spending well above the President's top line. If these projects are important enough for federal dollars, then they should be traded off against all other spending priorities. After all, taxpayers are just as responsible for emergency spending as non-emergency spending. A responsible spending bill would avoid such blatant types of gimmicks that serve no purpose beyond circumventing spending caps.
3. **Keep the pledge to halve earmarks.** 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. According to the Office of Management and Budget, the House spending bills have 6,651 pork projects, and the Senate spending bills have 4,700 pork projects.<sup>4</sup> If Members of Congress follow the typical practice of adding House and Senate earmarks together in conference committee, they will easily break their pledge. Congress should not accept any omnibus bill that breaks their pledge of not funding more than 6,746 earmarks for the year, including the earmarks in the already-enacted defense appropriations bill.
4. **Exclude unrelated policy riders.** Riders mandating unrelated policy changes have no place in

spending bills. For instance, congressional Democrats are considering adding a controversial expansion of the Davis–Bacon wage mandate.<sup>5</sup> This would expand the Depression-era Davis–Bacon Act to all federal projects funded under the omnibus bill and increase the costs of disaster recovery. Significant policy changes should be debated and voted on as separate pieces of legislation, not hidden in spending bills.

5. **Give Congress time to read the omnibus bill.** Given the rush to pass this legislation before the holidays, congressional Democrats may be tempted to force a vote on the omnibus bill within hours of its release. Forcing lawmakers to vote on a 1,000-page bill that spends nearly \$1 trillion without even having an opportunity to read the bill first 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 contents. Lawmakers should have at least two days to read and consider the legislation before voting on it.

In addition, whether as part of the omnibus bill or separately, Congress must fund the troops operating in Iraq and Afghanistan. The House is considering measures that would prevent the Pentagon from spending money appropriated in the omnibus on the troops in Iraq. Congress should not tie the hands of Pentagon officials and generals in the field by restricting the battlegrounds where money can be spent. 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.

1. Brian M. Riedl, “The Democratic Congress's 2008 Budget: A Tax and Spending Spree,” Heritage Foundation *Backgrounder* No. 2081, October 30, 2007, p. 1, at [www.heritage.org/Research/Budget/bg2081.cfm](http://www.heritage.org/Research/Budget/bg2081.cfm).
2. Individual Income Tax Returns: Selected Income and Tax Items by State, ZIP Code and Size of Adjusted Gross Income, Tax Year 2005.
3. American Research Group, Inc., “2007 Christmas Spending Plans Down,” November 20, 2007, at <http://americanresearchgroup.com/holiday/>.
4. Office of Management and Budget, “2008 Appropriations Tracking,” at <http://earmarks.omb.gov/by-tracking/summary.html> (October 20, 2007).
5. James Sherk, “Water Quality Bill Marred by High Costs and Davis-Bacon Handouts,” Heritage Foundation *WebMemo* No. 1396, March 15, 2007, at [www.heritage.org/Research/Labor/wm1396.cfm](http://www.heritage.org/Research/Labor/wm1396.cfm).

**Conclusion.** This year's budget debate has been slow and chaotic. Nearly three months into the new fiscal year, only one spending bill has been signed into law, and 11 are likely to be packaged into a large, unwieldy omnibus bill. Agencies have been on hold for months, waiting to learn of their funding levels so they can plan operations for the rest of the fiscal year. Congress must wrap up these spending bills. At the same time, Congress must bring the budget season to a responsible conclusion with a

bill that caps spending at the President's requested level, limits earmarks, and avoids riders and gimmicks. If Congress passes legislation failing that standard, it will deserve the Presidential veto it would likely face.

—*Brian M. Riedl is Senior Policy Analyst and Grover Hermann Fellow in Federal Budgetary Affairs, Nicola Moore is Research Coordinator, and Stephen Keen is Research Assistant, in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.*