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**Reviewing the House Appropriations Allocations
June 16, 2009**

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The congressional budget process stipulates that the Congress votes on the total level of discretionary spending each year, and that the Appropriations Committees determine the distribution of that total. With the FY2010 budget resolution passing in April -- setting discretionary spending limits somewhat below the President's request -- the House Appropriations Committee moved on to adopt its suballocations last week.

We review the policy choices made to arrive at the discretionary budget authority total included in the budget resolution, as well as the additional choices made by the House Appropriations Committee in setting the so-called 302(b) suballocations to its subcommittees. These 302(b) allocations serve as a ceiling for allocating funds in the appropriation bill under each subcommittee's jurisdiction.

The President's Budget and the Congressional Budget Resolution

While the Congressional Budget Resolution (CBR) allocated \$1086.3 billion of discretionary spending, the President's Budget requested \$1,248.8 billion, according to the CBO. Since \$130 billion of this is for Overseas Contingency Operations not counted against the spending limit, and some other items have different budgetary treatment, the effective requested allocation for appropriations is \$1,094.8 billion. This is roughly \$8.5 billion above the allocation provided to the House Appropriations Committee by the CBR.

Fig. 1: Bridge from President's Budget Request to CBR (billions)

CBO Estimate of President's Budget Request	\$1,248.75
<i>Overseas and Contingency Operations treated as Emergencies in CBR</i>	<i>-\$130.10</i>
<i>Transportation BA Treated as Obligation Limitations in CBR</i>	<i>-\$39.45</i>
<i>Allocation Adjustment for Social Security Program Integrity</i>	<i>-\$0.49</i>
<i>Allocation Adjustment for Health Care Fraud and Abuse Control</i>	<i>-\$0.31</i>
<i>Allocation Adjustment for Unemployment Insurance Improper Payments</i>	<i>-\$0.05</i>
<i>Allocation Adjustment for IRS Enforcement</i>	<i>-\$0.89</i>
<i>Allocation Adjustment for Federal-State Partnership</i>	<i>-\$0.18</i>
<i>Pell Grant Proposal Treated as Discretionary in CRB</i>	<i>+17.50</i>
Allocation based on President's Request	\$1,094.78
<i>Unspecified Spending Reductions</i>	<i>-\$8.48</i>
Allocation to House Appropriations Committee	\$1,086.31

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Allocations by Subcommittee

Although the Budget Resolution sets an overall allocation lower than the President's request, not every appropriations subcommittee is asked to spend less. The Financial Services and General Government Subcommittee and the Military Construction and Veterans Affairs Subcommittee, for example, each receive a 302(b) suballocation above the President's request. And some subcommittees, such as Transportation & HUD, Labor, HHS, & Education, and Interior & the Environment, received allocations nearly identical to the President's request.

Fig. 2: Subcommittee Requests and Allocations (billions)

Subcommittee	President	House	Difference
Agriculture, Rural Development, and FDA	\$22.98	\$22.90	-\$0.08
Commerce, Justice, Science and Related Agencies	\$64.51	\$64.31	-\$0.20
Defense	\$511.54	\$508.04	-\$3.50
Energy and Water Development	\$34.39	\$33.30	-\$1.09
Financial Services and General Government	\$23.16	\$23.55	\$0.39
Homeland Security	\$42.84	\$42.38	-\$0.45
Interior and the Environment	\$32.33	\$32.30	-\$0.03
Labor, Health and Human Services, and Education	\$160.71	\$160.65	-\$0.05
Legislative Branch Appropriations	\$5.15	\$4.70	-\$0.45
Military Construction and Veterans Affairs	\$76.26	\$76.50	\$0.24
State, Foreign Operations, and Related Programs	\$52.04	\$48.84	-\$3.20
Transportation and Housing and Urban Development	\$68.87	\$68.82	-\$0.05
TOTAL	\$1,094.78	\$1,086.31	-\$8.48

Meanwhile, a disproportionate share of the total reduction comes from the State, Foreign Operations, and Related Programs Subcommittee. Though these programs constitute less than 5 percent of total discretionary spending, their reduction of \$3.2 billion is almost 38 percent of the \$8.5 billion in total savings relative to the request.

In strict dollar amount, the Defense Subcommittee's \$3.5 billion reduction is actually the largest. However, as a percent of the total discretionary budget authority it receives – over \$500 billion – it is roughly proportional to the total from the President's budget request. The difference in allocation to the Energy and Water Development Subcommittee is also quite large, at nearly \$1.1 billion, and is proportionally higher than the average amount of savings.

Although the House does appear to be allocating \$8.5 billion less than the President requested, there is a concern that these savings may not be maintained. \$7.2 billion of the savings comes from three subcommittees – Defense, Homeland Security, and State, Foreign Operations, & Related Programs. It is quite possible that these cuts will be offset by increases in spending on overseas and contingency operations -- which is exempt from the budget enforcement process. This has been done before, and it may be difficult to stop such legislation from moving through the process.

In addition, Sections 401(c)(3) and 422(b) of the budget resolution provide for an automatic increase in the discretionary allocation of \$1.9 billion if \$3.2 billion is appropriated for the Low Income Home Energy Assistance Program (LIHEAP). This increase is not subject to PAYGO (unlike the President's LIHEAP proposal). Adding this amount to the \$7.2 billion in reduction in security-related and foreign affairs spending, the total for mischief exceeds the savings in the allocation.