



## FACT SHEET

# 2003 APPROPRIATIONS

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### **Republican Hypocrisy on Spending Evident with 2003 Appropriations**

Republicans talk a big game when it comes to fiscal discipline and their desire to limit spending, but time and again their actions fall short of their rhetoric. The inconsistency between Republican rhetoric and actions was on full display throughout the 2003 appropriations process. For months, Republicans prevented completion of the 2003 appropriations because they argued that the Democratic-proposed spending level was too high. Yet they have agreed to a discretionary spending level for 2003 – excluding supplemental funds provided for the war in Iraq – that actually exceeds the Democratic-proposed spending level by \$2.2 billion.<sup>1</sup>

This Republican hypocrisy on spending follows the same pattern almost every year, where Republicans loudly call for holding the lid on spending, and then quietly add back funding through the use of gimmicks and supplemental appropriations. With the return to massive deficits under their watch, it seems that Republican talk on spending restraint amounts to nothing more than an effort to deflect attention from their fiscally irresponsible policies.

### **GOP Spending Level for 2003 Exceeds Proposed Democratic Level by \$2.2 Billion**

In March 2002, the Democratic-controlled Senate Budget Committee passed a budget resolution that provided a total of \$768.1 billion in new discretionary budget authority for 2003 – a level needed to fully fund the President's requests for defense and homeland security, while also providing additional funding for bipartisan priorities in the areas of education, local law enforcement, transportation, and veterans' health care. For months, the Bush administration and Republican leadership criticized that level and refused to support anything but the President's proposed spending level, which was \$9 billion lower.

Looking back, it is questionable whether the White House and Republican leadership were ever serious about adopting bills at the President's unrealistic level. In fact, as Table 1 shows, even excluding supplemental funding provided for the war in Iraq, the discretionary budget authority level for 2003 agreed to by the White House and congressional Republicans will total \$769.9

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<sup>1</sup> Although the House passed a streamlined 2003 disaster supplemental of roughly \$1 billion before recessing for the month of August, this Fact Sheet assumes adoption of the full amount of the President's \$1.9 billion request for a disaster supplemental. Members of the House and Senate Appropriations Committees have expressed a desire to fund the remainder of the President's request after the August recess.

billion, or \$1.8 billion more than the level they supposedly opposed just months before.

| <b>Table 1 – GOP 2003 Discretionary Budget Authority</b>  |              |
|---|--------------|
| \$ billions   | 2003         |
| Enacted 2003 Budget Authority, CBO March Baseline . . . . | 765.8        |
| Plus: Transfer of 2004 Budget Authority to 2003 . . . . . | 2.2          |
| Plus: 2003 President’s Request for Disaster Supplemental  | <u>1.9</u>   |
| <b>Final 2003 Discretionary Budget Authority . . . .</b>  | <b>769.9</b> |

Excludes 2003 supplemental to fund the cost of the war in Iraq. May not add due to rounding.

However, counting only 2003 budget authority understates the full amount of discretionary resources provided to federal agencies in a year. To measure total resources available in 2003, it is necessary to also consider any increases in 2004 advance appropriations that benefit the 2003 program year, as well as obligation limitations for transportation programs.<sup>2</sup> Table 2 shows that once these advance appropriations and obligation limitations are added in, the GOP 2003 discretionary spending level will actually exceed the level proposed by Senate Democrats last year by \$2.2 billion.

| <b>Table 2 – GOP 2003 Discretionary Level vs. SBC-Passed 2003 Budget Resolution</b> |                |                            |   |
|---|----------------|----------------------------|---|
| Total 2003 discretionary resources; \$ billions                                     | 2003 GOP Level | 2003 SBC Budget Resolution | 2003 GOP Level vs. 2003 SBC Budget Resolution |
| 2003 Discretionary Budget Authority . . . . .                                       | 769.9          | 768.1                      | +1.8  |
| Increase in 2004 Advance Appropriations . . . . .                                   | 0.0            | 2.2                        | -2.2  |
| 2003 Transportation Obligations . . . . .   | <u>41.3</u>    | <u>38.7</u>                | <u>+2.6</u>                                   |
| <b>Total 2003 Discretionary Resources . . . . .</b>                                 | <b>811.2</b>   | <b>809.0</b>               | <b>+2.2</b>                                   |

Excludes 2003 supplemental to fund the cost of the war in Iraq. May not add due to rounding.

### **GOP Quietly Adds \$63 Billion in Spending in Closed-Door 2003 Omnibus Conference**

The most visible outcome from this Republican posturing on discretionary spending was that it led to a needless five-month disruption in funding for domestic agencies and programs, as lawmakers in both parties were reluctant to accept the cuts that would be required with funding at the President’s proposed level.<sup>3</sup> But what has gone largely unnoticed is that, in February,

<sup>2</sup> The budgetary treatment of transportation programs is unique. For most transportation programs, the budget records budget authority as mandatory but outlays as discretionary. It is the annual appropriations process, however, that controls the level of new transportation spending through the use of obligation limitations. Thus, adding the amount of obligation limitations provides a more accurate picture of the level of total discretionary resources provided in 2003.

<sup>3</sup> The 2003 Defense and Military Construction bills were the only two appropriations bills (out of 13) adopted by Congress last fall, necessitating the adoption in February of an omnibus bill (which provided funding for the remaining 11 bills and other items). This breakdown in the appropriations process was caused when the House, which adopted a budget resolution at the President’s unrealistic spending levels, found itself unable to pass the remaining 11 domestic appropriations bills. In fact, House leaders refused to bring eight of the 11 bills to the House floor for a vote until after the November 2002 elections. Two of those bills – Labor-HHS-

Republicans quietly added billions of dollars in spending behind closed doors in their Republican-only conference on the 2003 Omnibus Appropriations bill.

As Table 3 shows, with almost no public debate or comment, the Republican leadership added \$63 billion in spending – \$54.8 billion of which was mandatory spending – on top of the original Omnibus level proposed by Senate Appropriations Chairman Stevens.<sup>4</sup> In other words, with apparently no embarrassment whatsoever, Republicans publicly railed against Democrats for wanting to spend too much, and then, on their own, proceeded to add \$63 billion more in spending in a closed-door conference.

| Budget authority, \$ billions    | Stevens Proposal | GOP Conference | Conference vs. Stevens Proposal |
|----------------------------------|------------------|----------------|---------------------------------|
| Discretionary . . . . .          | 385.5            | 397.9          | +12.3                           |
| Mandatory . . . . .              | <u>4.1</u>       | <u>54.8</u>    | <u>+50.7</u>                    |
| Total Budget Authority . . . . . | 389.6            | 452.7          | +63.0                           |

This additional Republican spending in conference was particularly hypocritical, because the Republican leadership had been vocally criticizing Senate Democratic amendments (totaling roughly \$37 billion) to add discretionary funds to the omnibus for education, homeland security, and other priorities. It is important to note that these Democratic amendments were offered individually and not as a package. In fact, some of the Democratic amendments were duplicative in nature and clearly would not have been offered if a previous amendment had passed.

Sadly, year after year, Republicans seem intent on using the appropriations process to score political points and burnish their false image as a party of fiscal responsibility. With great fanfare, they propose unrealistic spending levels to demonstrate their supposed commitment to spending restraint. But then quietly, when the public is no longer paying attention, they add back funding. These spending shenanigans may make for good politics, but they cause needless disruption and uncertainty for federal agencies and programs, and ultimately worsen our nation’s long-term fiscal outlook.

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Education and Commerce-Justice-State – never even made it out of committee.

<sup>4</sup> In addition to increasing 2003 discretionary funding by \$12 billion, the conference report also added \$51 billion in new mandatory spending over the 2003-2013 period, almost all of which was to provide payment relief to physicians who are reimbursed for services under the Medicare program.