



June 18, 2013

On Appropriations, Senate Democrats Spend More

This week the Senate will begin its appropriations season, setting both 302(a) [total] and 302(b) [subcommittee allocation] levels.

The House has already begun passing individual fiscal year 2014 appropriations bills that will [total](#) \$967 billion in non-emergency spending. This amount is equal to the total post-sequester Budget Control Act (BCA) cap. The House's appropriations allocations would breach the BCA's defense spending limit (function 050); however, the top line amount is still in line with the total defense and non-defense post-sequester level. Anything above current law requires additional borrowing and debt. The House has chosen to reallocate some funds within the total post-sequester amount.

Meanwhile, this week the Senate Appropriations Committee is expected to approve total non-disaster discretionary spending of \$1.058 trillion. This is **\$91 billion higher than current law allows**, and the same level that would have been allowed had an alternative deficit reduction plan been adopted through the BCA's "supercommittee" process. Today, Senate Republican Appropriations Committee members sent a letter to Chairwoman Mikulski supporting a fiscal year 2014 discretionary level of \$967 billion. This letter also states that Republicans will not support the higher level of \$1.058 trillion.

House FY 14 non-emergency spending is \$967 billion; Senate will be \$91 billion higher

	Fiscal 2013 pre-sequester	Fiscal 2013 with sequester	Obama's Fiscal 2014 budget	Fiscal 2014 House allocations	Change from 2013 with sequester
Agriculture	\$20.736	\$19.560	\$19.970	\$19.450	-0.6%
Commerce-Justice-Science	50.210	47.020	51.191	46.845	-0.4%
Defense	517.632	486.297	516.974	512.522	+5.4%
OCO	87.226	82.190	88.482	85.769	+4.4%
Energy-Water	36.744	34.263	34.483	30.426	-11.2%
Financial Services	21.248	19.874	23.440	16.966	-14.6%

(continued)

	Fiscal 2013 pre-sequester	Fiscal 2013 with sequester	Obama's Fiscal 2014 budget	Fiscal 2014 House allocations	Change from 2013 with sequester
Homeland Security	39.606	37.759	39.030	38.993	+3.3%
Interior-Environment	29.827	28.240	30.004	24.278	-14.0%
Labor-HHS-Education	156.872	149.640	165.801	121.797	-18.6%
Legislative Branch	4.284	4.061	4.508	4.124	+1.6%
Military Construction-VA	71.930	70.909	74.691	73.320	+3.4%
State-Foreign Operations	42.093	40.358	47.872	34.103	-15.5%
OCO	11.203	10.843	3.807	6.520	-39.9%
Transportation-HUD	51.817	48.441	51.585	44.100	-9.0%
Total	\$1,042.999	\$986.422	\$1,059.549	\$966.924	-2.0%
OCO	98.683	93.252	92.289	92.289	-1.0%

Figures are in billions of dollars of base discretionary budget authority

Notes: Figures exclude overseas contingency operations (except where noted), disasters, emergencies, and other spending not subject to discretionary caps. The figures for Agriculture include the Commodity Futures Trading Commission, which is covered by the House Agriculture Appropriations panel and the Senate Financial Services Appropriations panel.

Sources: House Appropriations Committee; Congressional Budget Office

Should Senate Democrats pass their appropriations bills at this level, \$91 billion in additional spending would be added to an estimated \$560 billion deficit in 2014. If Senate Democrats want to spend this additional money, they should offset it with reforms to mandatory spending, the long-term driver of our debt.

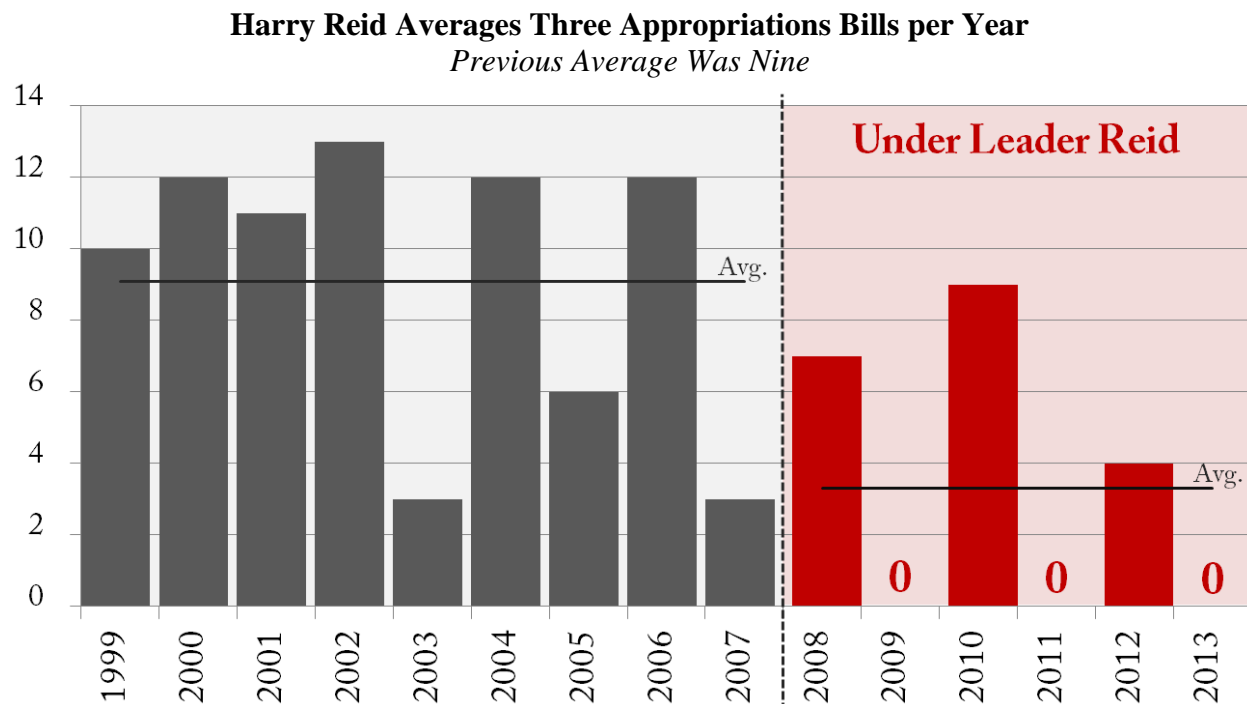
How the Sequester Affects Fiscal Year 2014 Appropriations

When the sequester went into effect on March 1, the BCA discretionary spending caps were also lowered for fiscal years 2014 to 2021. Since the appropriations levels were lowered before the start of fiscal year 2014, this is not a sequester per se, but simply a lowering of the caps. This gives the Appropriations Committee the flexibility to arrive at spending reductions that will not cut public safety programs like air traffic controllers or food inspectors.

However, there is a sequester that could apply to any of the years 2014 to 2021 if the caps for the defense or non-defense categories or sub-allocation are breached. If Congress appropriates more than is allowed under either type of cap in a given fiscal year (and does not change the BCA law when doing so), then OMB would implement a sequester of discretionary budgetary resources equal to the amount of any breach. Under current law, mandatory programs will be subject to a BCA sequester for fiscal year 2014 and future years.

Reid's Appropriations Failure

Recent history demonstrates the full Senate will once again be deprived of the ability to fully debate and amend appropriations bills on the floor. In three of the last five years, including last year, Majority Leader Reid prevented the Senate from debating any individual appropriations bills. In fact, in recent years the number of regular appropriations bills to pass the Senate floor individually has dwindled dramatically, creating artificial crises.



Notes: Initial Senate passage of regular appropriations bills, fiscal years 1999-2013. The 2012 Military Construction and Veterans Affairs bill was passed individually, but the Agriculture, Commerce-Justice-Science, and Transportation-HUD bills were considered as a small package of three bills.

Sources: RPC staff analysis of Congressional Research Service data. Does not include conference reports or CRs.

Obama Veto Threat Is Not Helpful

The President has issued [veto threats](#) for the first appropriations bills passed by the House because the bills are not written “in the context of an overall budget framework.” However, as Speaker Boehner noted in a [letter](#) to President Obama, when meeting with congressional leaders on March 1, the President [agreed](#) appropriations bills should not be caught up in the debate about “replacing sequestration with a broader deficit reduction package.” The President could engage in a separate discussion about deficit reduction and replacing the sequester. Instead, he threatens a government shutdown and says that terrible things will happen if the BCA discretionary caps (which he agreed to) continue for another year. This veto threat is not helpful to the process.

CBO said [last week](#) that the debt limit, the real action-forcing mechanism for a budget deal, will not be reached until October or November 2013, after the new fiscal year begins. A showdown over annual appropriations bills is not necessary and would harm the chances of a broader budget agreement.