

Amendment 917– Expresses the Sense of the Senate that Congress should offset new spending authorizations rather than add to the national debt

This amendment expresses the Sense of the Senate that it is irresponsible for Congress to create or expand government programs that will result in borrowing from Social Security, Medicare, foreign nations, or future generations of Americans without reductions in spending elsewhere within the federal budget and that Congress has a moral obligation to offset the cost of new government programs and initiatives.

S. 761 AUTHORIZES BILLIONS OF DOLLARS IN NEW FEERAL SPENDING ANNUALLY

S. 761, the America COMPETES Act, authorizes billions of dollars in new federal spending annually, but does not reduce or eliminate a similar amount of existing government programs.

There is no Congressional Budget Office (CBO) score for this bill. The Office of Management and Budget (OMB) estimates that the bill would cost over **\$61 billion** over the next four years and would create 20 programs. A staff analysis finds \$40.3 billion in new spending authorized plus additional authorizations of “such sums as may be necessary.”

Authorization Levels in S. 761, America Competes
Fiscal Years 2008- 2011

Year	Amount
2008	\$8,499,611,000.00*
2009	\$8,787,972,000.00*
2010	\$10,003,469,000.00*
2011	\$13,043,006,000.00*

*Not including numerous “such sums as necessary” authorizations

CONGRESS' BROKEN SPENDING PROCESS HAS CREATED A \$8.5 TRILLION NATIONAL DEBT

This is just another example of how the spending process in the Congress is broken.

Over the past five years, the U.S. national debt has increased by \$3 trillion, or nearly \$9,000 per American. That's a lot of money.

The U.S. national debt now exceeds \$8.5 trillion. In 1990, our total national debt was about \$3 trillion. That means that it took our country more than 200 years to accumulate that amount of debt – 200 years to increase our debt by \$3 trillion while the U.S. government added that much new debt in only five years.

In 2001, the share of federal debt per person in this country was a little over \$20,000. That includes everyone – not just those in the work force. According to the Office of Management and Budget and the Census Bureau, total federal debt per American has risen to more than \$29,000 per American. That's an increase of nearly \$10,000 per man, woman, and child in this country since 2001.

A lot of people are quick to dismiss that figure. They'll say that it doesn't matter, that we only need to worry about how debt and deficits compare to economic growth or to the size of the economy. A better rule of thumb is how government growth compares to the growth of wages and earnings.

Last fiscal year alone, the real federal deficit – the amount by which the federal debt increased – was \$574 billion.

According to the Congressional Budget Office, the federal government spent more than \$2.5 trillion during the last fiscal year. On average, \$7.2 billion was spent *each day*, or \$84,202 was spent *per second* by the federal government.

If regular Americans must tighten their belts to live within their means, the federal government should do the same instead of authorizing new spending.

Since 2001, total federal debt per American has increased by \$9,000. But over that same time period, the average wages of American workers have only increased by \$5,600. Over the past five years, the growth of federal debt per person has doubled the growth of average wages of American workers. What makes this situation even worse is that the nearly \$10,000 increase in debt per person is just going to get bigger and bigger because we're not doing anything to cut spending or prepare for the impending fiscal crisis that will result from the retirement of the baby boomer generation. Interest on that debt is just going to get larger.

No family in America would ever be able to manage its finances this way. No family would be able to build up insane amounts of debt, unilaterally increase all of its credit card limits with no ability to ever pay them off, and still be able to spend, spend, spend without any accountability.

PAYING OFF DEBT AND SPENDING LESS, NOT AUTHORIZING NEW SPENDING, MAKES AMERICA MORE COMPETITIVE

The America COMPETES Act is well intentioned, seeking to improve the competitiveness of the United States in the global economy. The problem is that it contributes to one of the major problems that is compromising our nation's ability to compete—out of control government spending and debt.

A report released just six months ago on the state of U.S. competitiveness entitled "The Competitiveness Index: Where America Stands" issued by the Council on Competitiveness identified the federal budget deficits as one of the factors that could compromise U.S. competitiveness and destabilize the global economy.

Last year, interest costs – the costs of federal debt that the government must pay to those who buy U.S. Treasury bonds – were about 8 percent of the total federal budget. In contrast, the average American spends roughly 5 percent of his or her income on credit card debt and car loans according to the Federal Reserve.

The federal government spent \$226 billion on interest costs alone last year. According to the Government Accountability Office (GAO) interest costs will consume 25 percent of the entire federal budget by 2035. Let's put that figure into perspective. Twenty-five percent of the federal budget is a huge amount.

By way of comparison, the Department of Education's share of federal spending in 2005 was approximately 3 percent of all federal spending. The Department of Health and Human Services was responsible for approximately 23 percent of all federal spending. Spending by the Social Security Administration was responsible for about 20 percent of all federal spending. Spending on Medicare was about 12 percent of all federal spending. Spending in 2005 by the Department of Defense – in the midst of two wars in Iraq and Afghanistan and a global war against terrorism – comprised about 19 percent of all federal spending. Thus, if we do not change our current spending habits, GAO estimates that as a percentage of federal spending, interest costs in 2035 will be larger than defense costs today, Social Security costs today, Medicare costs today, and education costs today.

Without addressing the existing federal debt or the billions of dollars in new government spending authorized by this bill, Congress is simply making America more dependent upon foreign sources of capital.

The fact is increasing the spending authority of the federal government without reducing existing spending authority will compromise, rather than improve, America's ability to compete in the global economy.

POLITICIANS HAVE RATIONALIZED THAT AUTHORIZATION BILLS ARE ONLY 'PLAY MONEY'

Some politicians claim that spending amounts contained within authorization bills are not important because they do not actually provide funding, but merely OK or recommend funding levels.

This is a rationalization.

According to the Congressional Budget Office (CBO):

“The term ‘authorization’ is used to describe two types of law. The first describes an ‘organic,’ or ‘enabling,’ statute, which creates a federal agency, establishes a federal program, prescribes a federal function, or allows a particular federal obligation or expenditure within a program. This type of authorization may continue the federal agency, program, or function indefinitely, or it may continue it for only a specific period of time. Such an authorization may constitute a direct spending program because it contains the direct authority to draw money from the Treasury to implement the statute, or it may simply specify a purpose for which a subsequent appropriation is made available.”¹

The reality is that nearly every authorization for new spending results in new spending.

How do politicians think these programs get funded?

How is it responsible for Congress to pass laws approving new spending initiatives and programs and then claim that doing so has now impact on spending, the budget deficit or the national debt?

It is this mindset that “authorizations do not represent real spending” and are instead akin to play dollars used in a board game that has contributed to the nearly insurmountable \$8.5 trillion debt that threatens the economic future of our nation.

If anyone has ever heard the phrase “this programs needs to be fully funded,” they know exactly why authorizations are important.

As soon as Congress authorizes new spending, lobbyists, special interest groups, and politicians begin the process of seeking to fully fund” that program.

While Congress continually “authorizes” new spending but rarely directs cuts and eliminations in existing programs. In fact, Congress

¹ http://www.cbo.gov/ftpdocs/77xx/doc7724/01-12-UAEA_Senate.pdf

continues to fund programs even **after** the programs' authorization has expired.

According to the Congressional Budget Office (CBO), "In recent years the total amount of unauthorized appropriations reported by CBO has ranged between about \$160 billion and \$170 billion."²

Before Congress authorizes spending on any new program, it should make it a practice to **first** cut other less important programs or spending.

This is how taxpayers across this nation determine their family budgets.

Not doing so is a total failure on the part of Congress to set spending priorities.

Yet, according to OMB, S. 761 "expands many existing science, technology, engineering, and mathematics (STEM) education programs that have not been proven effective and creates new STEM education programs that overlap with existing Federal programs."³

It is important that Congress recognizes that this is not a responsible way to govern and that it is the moral duty of Congress to offset the cost of new government programs and initiatives rather than to burden future generations by passing along the cost of today's IOUs.

² "UNAUTHORIZED APPROPRIATIONS AND EXPIRING AUTHORIZATIONS," Congressional Budget Office, January 12, 2007, Page 3; http://www.cbo.gov/ftpdocs/77xx/doc7724/01-12-UAEA_Senate.pdf

³ Statement of Administration Policy on S. 761, the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education and Science Act (or America COMPETES Act).

CLAIM: An authorization bill does not spend money it just authorizes Congress to spend money on a new program.

FACT: Many politicians rationalize that the spending amounts included in authorization bills as not real money, but akin to play money used in a board game. The reality is that authorizing new spending almost always results in spending more money.

