**H.R. 4851 – A One Month, Not-Offset Extension Bill For Certain Federal Programs**

- **Congress has failed to prioritize reauthorization**
- **Congress Makes and then Breaks Spending Rules**
- **Congress' Inability to Prioritize Has Real Costs**
- **Congress Increased Its Own Budget by 4.5 Percent This Year**
- **Many Members of Congress are incapable of budgeting**
- **Waste and Duplication in the Department of Transportation**
- **Members of Congress Must Make Sacrifices**

The Senate leadership is attempting to pass a one-month extension bill of several federal programs that is expected to cost taxpayers an additional $9.15 billion.[1] Not one cent of this amount is offset. The Senate leadership is trying to clear this bill without any debate or amendments.

This bill, the Continuing Extension Act of 2010 (H.R. 4851), would extend by one-month unemployment insurance coverage ($6.985 billion total cost), COBRA Assistance ($1.047 billion total cost), Medicare subsidy payment rates for physicians ($1.058 billion total cost), Medicare therapy caps exceptions ($30 million total cost), 2009 poverty guideline definitions ($31 million total cost); the National Flood Insurance Program (unknown total cost), and copyright license used by satellite television providers one-month extension ($4 million total).

If passed without any offsets, H.R. 4851 would represent the fifth bill Congress has passed within the last year that has extended federal programs and increased costs without offsets.

[1] http://www.cbo.gov/ftpdocs/113xx/doc11352/hr4851.pdf

While we all believe that assisting Americans in great financial need is a worthy priority, our children and grandchildren are also worth paying for these costs up front, rather than passing the cost to them.

I objected to this bill, because instead of offsetting the cost of this extension bill, Congress has elected to add an additional $9.15 billion to our national debt that is greater than $12.6 trillion.  I have prepared an amendment that would fully offset this bill's cost by reducing wasteful, duplicative, and less important federal spending elsewhere.

**Congress has failed to prioritize reauthorization**

Over the last couple of years Congress has struggled even to pass basic, core legislation that authorizes federal programs or appropriates money. The transportation authorization bill lapsed in 2009, the aviation bill lapsed in 2007, and programs such as unemployment insurance, flood insurance, and many others have had to be repeatedly extended.

Time and time again, Congress intentionally waits until the last minute to consider important legislation and then declares the billions of dollars in foreseeable costs as "emergency" spending in order to avoid having to find a way to pay for the bills' price tags.

If Congress passes the next one-month extension bill without an offset, it will have approved nearly 100 billion in non offset extension and general fund transfer bills.

This is its fifth short-term extension in the last sixth months.

H.R. 4851:  Currently before the Senate, a one-month extension of Unemployment Insurance, Cobra, Physician payments, and other subsidies.  Total cost:  **$9.2 billion**

A message to H.R. 2847:  On March 18, 2010, the President signed the Hire Act, which included a 9 month extension for transportation. Total cost of this extension:  **$47 billion**

The Senate voted to waive a point of order because of the not-offset spending **62-34-4**

H.R. 4691: On March 2, 2010, the President signed a similar one-month extension of Unemployment Insurance, Cobra, Physician payments, and other subsidies. Total cost: **$10.3 billion**
The Senate voted to pass this bill **78-19-3**

H.R. 3326, Division B: On December 19, 2009, the President signed a two-month extension included in the Department of Defense Appropriations Bill which covers all the programs extended in H.R. 4851 and surface transportation. Total cost: **$18.57 billion**
The Senate voted to waive a budget point of order because of the not-offset spending **63-35-2**

H.R. 3357: On August 7, 2009, the President signed a bill transferring $7 billion to the Highway Trust Fund to cover a shortfall and $7.9 billion for Unemployment insurance. Total cost of these provisions: **$14.9 billion**
The Senate voted to waive a budget point of order because of the not-offset spending **71-26-3**

Congress also passed two continuing resolutions (H.R. 2918 and H.R. 2996) which did not include additional spending beyond the Budget Resolution levels.

**<u>Congress Makes and then Breaks Spending Rules</u>**
On February 12, 2010, President Obama signed into law the Statutory Pay-As-You-Go Act of 2010.[2] The basic principle of PAYGO is that any new spending or tax relief should be offset with equal reductions in spending or increases in taxes in order to not increase the deficit.

Many Congressional leaders and the President promised that Congress would now be fiscally responsible. For example, on January 28, 2010, the Senate Majority Leader stated,

> "In order to spend a dollar, we have to have that dollar in our wallet. This law will enforce that commonsense approach."[3]

[2] http://www.congress.gov/cgi-lis/bdquery/z?d111:HJ00045:
[3] http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?position=all&page=S282&dbname=2010_record

Yet, in the less than two months since then, the Senate has ignored its own budget rules four times and spent $120 billion, which was not paid for, violating the spirit of PAYGO.

On February 24, 2010 – just twelve days after the President signed PAYGO into law – the Senate voted to waive budget point of order against the so-called "jobs" bill.[4] According to Congressional Budget Office (CBO), the legislation increases the deficit by $12 billion over the next five years.[5] This bill also included $47 billion in not offset highway spending. The same bill was considered slightly altered on March 17th, 2010, and the Senate voted 64-34 to waive another budget point order.

On March 2, 2010, the Senate failed to comply with PAYGO when it approved a Short-Term Extension Bill (H.R. 4691). According to CBO, this legislation added $10.26 billion to our deficit over the next 10 years.[6] Once again, the Senate did not pay for this new spending and in fact rejected an attempt by one Senator to pay for the $10 billion in new spending.

On March 3, 2010, the Senate voted 60-37 to waive PAYGO on the tax extenders bill (H.R. 4213), and add nearly $100 billion to the deficit over the next ten years.

The Senate has now ignored the spirit of PAYGO four times in less than two months. If it doesn't offset H.R. 4851, the Senate would ignore the spirit of PAYGO one more time.

H.R. 4851 costs $9.15 billion, yet instead of finding an offset to comply with Congress' self-imposed PAYGO rules, Congress has decided to designate this spending as "emergency" spending. This is an accounting gimmick that places the $9.15 billion bill cost outside of the Congressional budget limits, even though this amount is still added to our growing national debt.

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[4] Vote Results On the Motion (Motion to Waive Section 201(a) of S. Con. Res. 21, 110th Congress, Re: Reid Amdt. No. 3310
http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=111&session=2&vote=00024

[5] Congressional Budget Office (CBO). Budgetary Effects of the Hiring Incentives to Restore Employment Act. February 18, 2010. http://www.cbo.gov/ftpdocs/112xx/doc11230/hr2847.pdf

[6] Congressional Budget Office. Temporary Extension Act of 2010. February 24, 2010.
http://www.cbo.gov/ftpdocs/112xx/doc11257/TemporaryExtensionActof2010.pdf

In just the last two years, the Senate has passed three “emergency” bills costing a total of $62 billion to extend the Highway Trust Fund. None of these funds are offset, yet, Senate leadership has refused to find an off-set for any of this spending. At the same time, Congress has refused to address the current funding issue with the trust fund, which has necessitated these emergency appropriations.

Congress has also extended on three occasions already emergency unemployment benefits at a total cost of more than $28 billion. Not one cent was offset.

Senate leadership has sought to force through without debate several of these extensions with billions of dollars in not-offset spending. Each time, those Senators asking for an offset have been vilified and berated by Senators in favor of not offsetting spending increases. They are told that their objection is costing Americans jobs and prosperity.

This short sightedness sticks taxpayers with billions of dollars in additional debt and treats the unemployed, doctors and Medicare patients, hard working men and women who help make our roads and bridges safe, and others relying on federal funds as pawns in Congress’ borrowing and spending game.

**<u>Congress’ Inability to Prioritize Has Real Costs</u>**

One month ago, Congress passed a similar extension bill (H.R. 4691) with a not-offset cost of $10.3 billion. Instead of supporting one Senators’ attempt to find a way to pay for this cost, Members of Congress attacked him for holding up this measure from being considered without ANY debate.

As a result, almost two thousand federal transportation workers across the nation were furloughed for two days while Congress bickered over whether or not to approve a bill that was not paid for or a bill that was paid for by cutting lower priority government spending.

As always, those who prefer to borrow to avoid making tough budget decisions won out, and the taxpayers and the transportation workers lost. Taxpayers were stuck with another $10 billion of debt and the workers lost two days of income.

Congress' inability to prioritize and manage national needs results in real consequences for Americans, whether it be furloughs, market uncertainty that leads to lower investment and job losses, or Americans being saddled with higher debt and taxes.

The long-term cost is severe.

The U.S. now has more than $12.6 trillion in debt and the 2010 deficit is projected to amount to $1.3 trillion.

We are borrowing 43 cents on every dollar; yet, Congress continues to increase spending without any correlating spending cuts.

This debt signifies less opportunity in the future for generations of Americans to come, higher taxes, more government control, less innovation, less freedom, less prosperity, and lower quality of life.

While one individual bill may not cause this massive debt, NEVER offsetting increased costs does.

**Many Members of Congress are incapable of budgeting**

Although some Senators opposing offsets may claim that they are in favor of fiscal responsibility, many haven't backed up such claims with their actions.

Out of 100 Senators, 23 Senators have never voted against an appropriations bill since 2004. All of these Senators are democrats. 45 Senators have voted for 95 percent of all appropriations bills since 2004 (4 of these are Republicans).

On average, Senators vote for appropriation bills since 2004 87 percent of the time (93 percent for democrats, 79 percent for Republicans).

Every single democrat recently voted to increase the debt limit by $635 billion. An amendment to offset this increase by consolidating duplicative programs and eliminating waste was opposed by every democrat except for Senators Bayh and McCaskill.

In 2005, only 14 senators voted to prioritize transportation funds earmarked for the "Bridge to Nowhere" to a bridge destroyed by Hurricane Katrina.

If it is vital for Congress to pass these "must-pass" bills, then it should be possible to offset the costs of these bills with funds for less important programs.

**<u>Congress Increased Its Own Budget by 4.5 Percent This Year</u>**
While millions of Americans had to make tough choices in a down economy, Congress continued business as usual by awarding itself an almost $100 million budget increase for this year.

This works out to a 4.5 percent budget increase.

Inflation was almost zero percent last year

Unemployment is still at 9.7 percent.

Family incomes fell by more than three percent last year.

In the last twelve months while Americans across the country adjusted their spending to the size of the shrinking family budget, Congress has passed trillions of dollars in new, not offset, ineffective spending.

In the last 6 months, Congress has passed four major extension bills at a total cost of almost **<u>$30 billion</u>** and increased funding totaling **<u>$65 billion</u>** for the Highway and Unemployment Insurance Trust Funds without offsets.

If Congress keeps approving temporary extension bills throughout the calendar year without finding offsets, Congress will have added almost **<u>$120 billion</u>** to our national debt by passing these bills.

If Congress continues to violate the spirit of its own spending laws, the Senate will approved more than **<u>$720 billion</u>** in new federal spending not offset, even though it passed Pay-Go legislation just over one month ago claiming to prohibit such activity.

**<u>Members of Congress Must Make Tough Choices</u>**
No one is arguing that Americans who are currently unemployed should not have their unemployment insurance payments extended. But once again, Congress is refusing to find a way to offset the $9.15 billion cost of bill with cuts to less important federal spending.

In the House, Appropriations Chairman David Obey has indicated that some new spending needs to be offset with unused, unobligated funds. Chairman Obey suggested rescinding $362 million in reserved stimulus funds for the Women, Infants and Children nutrition program; $112 million from a Commerce Department program designed to provide coupons to households to help buy analog-to-digital converter boxes; $103 million from USDA rural development programs; and $44 million from the Transportation Department's Consumer Assistance to Recycle and Save Program (also known as the "Cash for Clunkers" program) to offset the cost of a different spending bill.[7] The Senate should likewise find a way to offset this one-month extension bill and create a sustainable precedent.

The Senate could start with federal unobligated balances. According to the White House, in Fiscal Year 2011, 33 percent of all federal funds were unused and obligated. The total dollar amount of these unobligated balances was estimated at $703 billion.[8] Rescinding only discretionary funding that has been available for more than two years would likely result in roughly $100 billion in offset spending. The Senate could also tap into $228 billion in unobligated stimulus funds as Chairman Obey has suggested.

At the very least, Congress should reconsider transferring the almost $100 million budget increase it approved for itself for 2010 to offset the cost of additional spending.[9] Congress should not be increasing its budget by 4.5 percent when our economy shrunk by 2.4 percent[10] and inflation was at less than 1 percent.

By passing my amendment, Congress will offset the costs of H.R. 4851 without adding one cent to the debt and prove to American taxpayers that it is capable of budgeting responsibly.

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[7] Sanchez, Humberto, "Obey Introduces Disaster Aid Supplemental," *CongressDailyPM,* March 22, 2010

[8] "Fiscal Year 2011 Balances of Budget Authority; Budget of the U.S. Government," Executive Office of the President Office of Management and Budget, 2011, http://www.whitehouse.gov/omb/budget/fy2011/assets/balances.pdf

[9] The reductions would not affect the Capitol Police or other congressional support offices such as the Congressional Budget Office, Government Accountability Office, or Congressional Research Service.

[10] "Gross Domestic Product: Fourth Quarter 2009 (Second Estimate)," Bureau of Economic Analysis, February 26, 2010, http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm

**Coburn Amendment to Pay For the Unemployment Extension Bill**

The Coburn amendment would fully offset the cost of this legislation, by rescinding $9.2 billion from unobligated discretionary balances.

In addition, this amendment would freeze congressional pay until this Congress can balance the budget. It is time for Congress to lead by example and no longer accept taxpayer funded pay raises while our country faces a $12 trillion debt and families across the country are struggling to make ends meet.

**Unobligated Balances**
Nearly every federal Department ends each year with billions of dollars in unobligated funding. Unlike obligated funding that has not yet been spent, unobligated funds are not set aside for a specific purpose to be funded in the near future.

Federal agencies ended Fiscal Year 2009 with $657 billion in unobligated funds.

While it is applaudable that government bureaucrats are not spending every dollar that they are entrusted, this staggering amount of unspent money exposes the mismanagement of our national finances by Congress.

Every year, Congress borrows hundreds of billions of dollars to pay for increases for programs that end each year with billions of dollars in unobligated money.

Simply put, Congress is approving increases in government funding faster than bureaucrats can spend it! While all of the money is not being spent, taxpayers still must pay for the funding increases as well as the cost to finance the interest on the billions of dollars being borrowed and added to our $12 trillion national debt.

Consider, the U.S. government ended Fiscal Year 2007 with a $453 billion deficit as well as $388 billion in unobligated funds. With better fiscal management, Congress could have nearly balanced the budget by simply not approving excessive increases in spending for government agencies sitting on billions of dollars of unobligated funds.