



FACT SHEET

2003 APPROPRIATIONS

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At the same time the Bush administration publicly shrugs its shoulders at spending \$674 billion in tax cuts that would primarily benefit the wealthiest Americans, it is working with the new Republican leadership in Congress to cut \$9.8 billion in 2003 appropriations that would go to educate children, secure the homeland, restore faith in the securities markets, and improve the nation's roads.

President Bush's insistence on keeping to an arbitrary \$750.5 billion discretionary spending level for 2003¹ means Republicans must cut funding for the remaining 11 bills below levels Senate appropriators had previously agreed to and reported out of committee on a bipartisan basis. This includes cuts of almost 5 percent within Commerce-Justice-State programs, almost 3 percent within Veterans' Affairs-Housing and Urban Development programs, and more than 2 percent within Labor-Health and Human Services-Education programs. The President has remained intransigent about cutting domestic discretionary spending despite the economy's continued difficulties, the growing fiscal crisis at the state and local level,² and the lack of support from Democrats and moderate Republicans. Even now, Republicans appear capable of passing bills that adhere to the President's level only by resorting to extreme procedural maneuvers that prevent Members in either body from voting on specific bills and that deny House Members the opportunity to amend the omnibus package.

This fact sheet addresses some of the consequences of the President's budget and its damaging impact on programs that benefit the vast majority of Americans.

Adherence to Bush Level Has Prevented the Movement of Domestic Bills

The President's refusal to compromise on his unrealistic request for domestic discretionary spending brought the 2003 appropriations process to a grinding halt in the 107th Congress. While the Senate Appropriations Committee was able to report its 2003 bills by unanimous,

¹ By matching the \$2.2 billion increase in 2004 advance appropriations provided for in the bipartisan Senate bill for the Labor-HHS-Education subcommittee, Senate Republicans are in fact effectively proposing to provide \$752.7 billion in new resources, not \$750.5 billion.

² According to the Center on Budget and Policy Priorities, state governments face cumulative state deficits of between \$60 billion and \$85 billion for fiscal year 2004 – an astounding 13 percent to 18 percent of state expenditures. The projected deficit for 2004 follows about \$50 billion in combined deficits that states were forced to close for 2003 and is in addition to \$17.5 billion in deficits for 2003 that have arisen since the enactment of the 2003 budgets. Unless states raise taxes, they will have no alternative but to slash spending on core services, such as health insurance and education.

bipartisan votes, the process fell apart in the House. The House Appropriations Committee failed to act in committee on seven of the 13 appropriations bills before the August recess. Two of those bills – Labor-Health and Human Services-Education and Commerce-Justice-State – never even reached the committee for consideration.

Ultimately, House Republicans were unable to craft bills that could both adhere to the President’s budget and garner the support of moderate Republicans and Democrats. As a result, the House leadership refused to bring eight of the 13 appropriations bills to the floor until after the November elections. House Chairman Bill Young had predicted this very outcome in June, when he stated that the lower, “austere” House allocation mandated by the administration and the House leadership would make it difficult for the House Appropriations Committee to complete action on some of its bigger bills and “impossible” for it to reach agreement with the Senate.³ The implosion of the appropriations process in the House resulted in Congress completing just two of 13 bills: Defense and Military Construction. Table 1 shows the gap between the President’s request for 2003 and the bipartisan agreement reached in the Senate.

Table 1 – Comparison of President’s request for 2003 discretionary budget authority with Bipartisan Senate Allocation	
(2003 budget authority; \$ billions)	
President’s Request	
Original February 2002 request*	768.1
Plus: Budget amendments*	1.4
Less: Accrual proposal	-9.0
Less: Proposed defense reserve fund	<u>-10.0</u>
President’s revised request	750.5
Bipartisan Senate Allocation	
Enacted Defense and Military Construction bills*	365.3
Plus: Remaining Senate allocation	402.8
Plus: Emergency funding	2.2
Plus: Increase in 2004 advances	2.2
Less: Proposed defense reserve fund	<u>-10.0</u>
Bipartisan Senate allocation	<u>762.5</u>
President’s request less bipartisan Senate allocation	-12.0

*As estimated by the Congressional Budget Office.

Revised Republican Allocations Show Steep Cuts in Key Domestic Priorities

During the second week of January, the new appropriations subcommittee allocations agreed to by Senate and House Republican appropriators for the remaining 11 appropriations bills were leaked to a number of news organizations. Table 2 compares the new, preliminary GOP allocations with the previous bipartisan allocations.

³ From June 25, 2002, *CongressDaily* article written by Bill Ghent.

Table 2 – Revised GOP Senate Allocation versus Bipartisan Senate Allocation, by Subcommittee

Discretionary budget authority, \$ billions, by subcommittee	Revised GOP	Bipartisan	Revised GOP vs. Bipartisan	
	\$	\$	\$	%
<u>Enacted</u>				
Defense	354.8	354.8	n/a	n/a
Military Construction	<u>10.5</u>	<u>10.5</u>	n/a	n/a
Subtotal	365.3	365.3	n/a	n/a
<u>Remaining Bills</u>				
Agriculture	17.4	18.0	-0.6	-3.2%
Commerce-Justice-State	41.3	43.5	-2.1	-4.9%
District of Columbia	0.5	0.5	-0.0	-1.0%
Energy & Water	26.2	26.3	-0.1	-0.5%
Foreign Operations	16.3	16.4	-0.1	-0.6%
Interior	19.0	19.3	-0.4	-1.9%
Labor-HHS-Education	131.4	134.4	-3.0	-2.3%
Increase in 2004 advance appropriations	2.2	2.2	0.0	0.0%
Legislative	3.4	3.4	-0.1	-1.6%
Transportation	21.2	21.6	-0.4	-1.9%
Treasury-Postal	18.2	18.5	-0.3	-1.6%
VA-HUD	90.4	92.9	-2.6	-2.8%
Full Committee	<u>0</u>	<u>0.1</u>	<u>-0.1</u>	<u>-100.0%</u>
Subtotal	385.1	395.0	-9.8	-2.5%
<u>Total: Enacted and Remaining Bills:</u>				
2003 Discretionary Budget Authority	750.5	760.3	-9.8	-1.3%
With Increase in 2004 Advances	752.7	762.5	-9.8	-1.3%

Notes: Bipartisan allocations include a total of \$2.2 billion in emergency funding. Totals may not add due to rounding.

The revised allocations speak volumes about the priorities of the Bush administration and Republican leaders. While cutting funding allocated to every appropriations subcommittee, Republicans reserved their most severe cuts for the three bills that fund most of the federal government's share of social services, as well as much of its funding for homeland security: Labor-HHS-Education (\$3 billion, or 2.3 percent), VA-HUD (\$2.6 billion, or 2.8 percent), and Commerce-Justice-State (\$2.1 billion, or 4.9 percent). Republicans will again face steep difficulties in moving the remaining 11 bills. In fact, it is unlikely that the Congress could pass many of these bills without the procedural tactics designed by the White House and Republican leaders to prevent Members in either body from voting on specific bills and Members in the House from amending the omnibus package.