

Don't Break the Spending Caps

From: The Committee on the Budget

Sent By: shane.skelton@mail.house.gov

Date: 7/10/2014

Dear Colleague

I am writing you regarding the administration's proposals to fund wildfires. The question is not whether wildfire suppression is a priority. It clearly is. The question is whether we will fund this priority within the current discretionary-spending caps or whether we should effectively break those bipartisan caps by providing funding for wildfire suppression on top of those caps.

While the procedures, adjustments, and scoring are complicated on this issue, the result is simple. If we adopt the administration's proposal, we will increase spending and deficits above the levels I negotiated with Chairman Murray in the Bipartisan Budget Act that we passed at the end of last year. The following clears up some of the misinformation and confusion over this issue.

Earlier this week, as an unrelated part of his immigration appropriations supplemental request, the President requested an additional \$615 million in "emergency" appropriations for wildfire suppression. In addition, he reiterated his budget proposal for a new way to increase the statutory caps on discretionary spending that would add \$13 billion to discretionary spending through 2021. This idea was not a new one; it is the essentially the same as what is proposed in the Wildfire Disaster Funding Act (H.R. 3992 and S. 1875).

Each of these proposals is essentially the same: They move a large portion (30 percent) of wildfire-suppression funding outside of the discretionary-spending caps and make this amount, plus an additional amount, not to exceed a total of \$2.689 billion per year (the administration's proposal starts this upward adjustment at \$1.41 billion and increases it to \$2.65 billion by 2021) eligible for a disaster cap adjustment. This has the effect of increasing discretionary spending by as much as \$2.689 billion per year.

Proponents of these proposals point out that CBO says the authorizing legislation does not have a score, but that is a clearly misleading conclusion to draw from CBO's letter. In a May 8, 2014 [letter](#) to Sen. Wyden, CBO stated that the Wildfire Disaster Funding Acts "would not authorize additional funding for wildfire suppression activities or appropriate funds for those purposes" and "that enacting either bill, by itself, would have no effect on the federal budget." However, CBO also points out that this authority "could lead to increases in the caps on discretionary funding," and that this additional spending "would be reflected in CBO's cost estimates for that subsequent legislation." CBO concludes:

- If this legislation took effect before enactment of fiscal year 2015 appropriations, use of the disaster cap adjustment would increase spending by \$420 million and could be as high as, but could not exceed, \$2.689 billion.
- And though the bill calls for any increase in the disaster cap adjustment to be offset by a decrease the next year in that cap adjustment, it also finds “upward adjustments in the discretionary caps for wildfire suppression would probably exceed reductions in the caps for disaster relief relative to current law,” because the bill changes the way the cap adjustment itself is calculated. So, in addition to increasing eligible spending through the disaster cap adjustment, the bill would, in fact, increase the amount of the cap adjustment.

Put simply, the administration’s proposal and the Wildfire Disaster Funding Acts are budget-process bills. From a technical standpoint, CBO will not score a direct spending increase to these bills, but as CBO notes the bills will result in higher spending in subsequent appropriations bills. The caps on discretionary spending clearly limit spending and appropriations bills cannot exceed those caps or they will trigger a sequester. To say that establishing a new way to increase those caps would not result in increased federal spending is no different than saying that legislation repealing the Budget Control Act would not increase federal spending. And I doubt anyone would make that argument.

I believe that wildfire suppression should be a funding priority. The House-passed budget resolution assumed full funding of the President’s request for wildfire suppression. A budget is about setting priorities, and I would urge you to support funding wildfire suppression within the current caps as the draft Interior appropriations bill does. Unfortunately, the President’s proposal and the Wildfire Disaster Funding Acts would break the bipartisan agreement we achieved last December and lead to higher spending, deficits, and debt.

If you have any questions or would like to discuss this issue in further detail, please contact Shane Skelton on the House Budget Committee’s majority staff at extension 6-7270 or shane.skelton@mail.house.gov.

For more information on wildfire funding and the Budget Control Act disaster cap adjustment, please view my website [here](#).

Sincerely,

Paul Ryan

Member of Congress