THE BUDGET RECORD
OF THE 111TH CONGRESS
MORE SPENDING, TAXES, DEFICITS, AND DEBT

A Budget Summary for the September Adjournment

by the Republican Staff
Committee on the Budget
U.S. House of Representatives

REPRESENTATIVE PAUL D. RYAN, RANKING REPUBLICAN

29 September 2010
After 21 months of controlling both the White House and Congress, here is what the Democrats have done:

- **Failed to Support Jobs and Economic Growth.** More than a year-and-a-half after adoption of the $814-billion “stimulus,” job creation remains anemic and economic growth is slowing.

- **Increased Spending, Taxes, Deficits, and Debt.** With their relentless expansion of government, the President and Congress have increased Federal spending by $2.1 trillion. The President’s budget produces unsustainable deficits that never fall below 4 percent of gross domestic product, and triples the debt over 10 years.

- **Left a Huge Tax Increase Hanging Over a Weak Economy.** Americans face a vast range of tax hikes in just 3 months, but Democrats have deliberately put off any effort to prevent them – exacerbating uncertainty among businesses and taxpayers, and stifling economic and job growth.

- **Launched an Array of Government Takeovers and Bailouts.** Democrats have moved to initiate takeovers of health care, college loans, banks and financial markets, the auto industry, and housing markets; have provided unlimited support for Fannie Mae and Freddie Mac; and have created permanent bailout authority for “too-big-to-fail” institutions.

- **Failed to Produce a Budget.** Faced with their unsustainable spending and debt, House Democrats abdicated on the most fundamental responsibility of governing. For the first time in the history of the Budget Act, they failed to write a House budget resolution.

- **Hid Behind the Pay-Go Sham.** Instead of budgeting, Democrats brandished their pay-as-you-go rule – a deeply flawed procedure that, when enforced, has been used to chase higher spending with higher taxes.

The discussion that follows provides details.
JOBS AND THE ECONOMY

WHERE ARE THE JOBS?

The President and Democrats in Congress keep trying to claim success from their efforts to “stimulate” the economy. The facts tell an agonizingly different story.

Recent economic data clearly show the recovery is losing momentum. One key risk to the economy is insufficient job and wage growth, which are needed to produce a self-sustaining recovery.

- The current 9.6-percent unemployment rate is close to a 27-year high – and is expected to remain elevated for some time. It is well above the 8-percent peak unemployment rate administration officials confidently predicted when the $814-billion “stimulus” was enacted (see Figure 1).

- Private-sector job growth has averaged just 95,000 per month so far this year, well below the amount needed to bring down the unemployment rate. Only 67,000 private-sector jobs were created in August, and just 72,000 per month over the most recent 4 months. The economy needs to create roughly 250,000 jobs per month for 5 consecutive years to bring the unemployment rate back to pre-recession levels (i.e. 5 percent).

- Of the 14.9 million unemployed in August, 6.2 million have been out of work for 27 weeks or more, according to the Bureau of Labor Statistics; and the unemployment numbers do not reflect the 2.4 million persons considered
“marginally attached” to the workforce – meaning they are available for work but have not looked for a job in the past 4 weeks – of whom 1.1 million are “discouraged workers” who have given up looking for jobs.¹

The administration’s economic policies are making a bad situation even worse. For instance, the Congressional Budget Office [CBO] recently estimated that allowing tax rates to rise as scheduled in January will lower gross domestic product [GDP] and keep the unemployment rate high. According to CBO, the planned lapse of tax rates enacted in 2001 and 2003 would shave a full percentage point off of GDP next year. It would also cause the unemployment rate to remain at 9.1 percent, instead of falling to 8.3 percent if the rates were extended. That potential difference in the unemployment rate amounts to roughly 1.2 million jobs.²

But while private-sector employment has been anemic, the number of civilian Federal Government employees (excluding temporary census workers) has grown by 188,000 (15 percent) since 2008 (see Figure 2). Over that same period private-sector employment fell by more than 7.7 million.

Many economists, including those at the Federal Reserve, have downgraded their forecasts of economic growth this year and next, and even the administration now projects unemployment to remain above 9 percent through next year.

Growth in real (inflation-adjusted) GDP slowed to 1.6 percent in the second quarter of this year, according to the Commerce Department’s Bureau of Economic Analysis – less


² House Budget Committee calculations based on figures in the Congressional Budget Office, The Budget and Economic Outlook: An Update (August 2010).
than half the 3.7-percent pace registered in the first quarter. Current GDP growth is well below the administration’s projected 3.1-percent growth for this year.

- Business inventory re-stocking, which led to a temporary boost in growth late last year, is expected to wane this year, and consumer spending will likely be lackluster due to a weak labor market.

- It also appears the housing sector is stalling once again. New home sales in July fell to their lowest level since the government began tracking these data in 1963 – despite the fact that mortgage rates are very low and home prices have come down sharply.

- The Federal Reserve says it is prepared to provide additional monetary stimulus if the economic outlook continues to deteriorate. One policy option for the Fed is to resume large purchases of longer-term Treasury securities (so-called Quantitative Easing).

**HOLDING THE ECONOMY BACK**

- The administration’s economic and regulatory policies are increasing uncertainty and making a bad situation worse.

  - Remarkably, Congress will slip out of town while huge tax increases, starting in January and totaling nearly $4 trillion over the next 10 years, hover over the economy.

  - But even if they do address those tax hikes, both the President and the Democratic Leadership in Congress want to raise, to 39.6 percent, the tax rate that successful, job-creating small businesses pay. Factoring in taxes associated with the health care bill, the top rate will climb to 44.8 percent by 2013 – further punishing job creators.

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DIGGING THE FISCAL HOLE DEEPER

SUMMARY

- America faces an unprecedented fiscal and economic challenge, created by the government in Washington. Spending, deficits, and debt threaten to spiral out of control, smothering the economy and suffocating the potential for future prosperity.

- The relentless spending by the President and Congress has only worsened this dilemma, undermining economic growth and job creation, adding to U.S. dependence on foreign creditors, and accelerating the fiscal day of reckoning.

THE OBAMA-DEMOCRATIC RECORD

Spending

- Since January 2009, the President and Democratic Congress have enacted $2.1 trillion of spending increases, and the House has passed an additional $1.05 trillion (see Table 1).

Table 1: New Spending by Obama and Democratic Congress, 2009-19
(net increases over 10 years, in billions of dollars)

<table>
<thead>
<tr>
<th>Enacted Spending Increases</th>
<th>Outlays</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Children's Health Insurance Program (enacted 4 Feb. 2009)</td>
<td>73.8</td>
</tr>
<tr>
<td>American Recovery and Reinvestment Act ('Stimulus') (enacted 17 Feb. 2009)*</td>
<td>634.0</td>
</tr>
<tr>
<td>Family Smoking Prevention and Tobacco Control Act (enacted 22 June 2009)</td>
<td>0.4</td>
</tr>
<tr>
<td>Worker, Homeownership, and Business Assistance Act of 2009 (enacted 6 Nov. 2009)</td>
<td>6.6</td>
</tr>
<tr>
<td>Domestic Spending Added to War Supplemental of 2009 (enacted 24 June 2009)b</td>
<td>23.7</td>
</tr>
<tr>
<td>Appropriations Above Inflation (non-emergency appropriations enacted between Jan. 2009 and Sept 2010)</td>
<td>849.4</td>
</tr>
<tr>
<td>Temporary Extension Act ('doc fix') of 2010</td>
<td>8.1</td>
</tr>
<tr>
<td>Reconciliation Act of 2010, Patient Protection Act (enacted 23 March 2010)c</td>
<td>382.0</td>
</tr>
<tr>
<td>Continuing Extension Act ('doc fix') (enacted 14 Apr. 2010)</td>
<td>15.4</td>
</tr>
<tr>
<td>The Dodd-Frank Wall Street Reform Act (enacted 21 Jul 2010)</td>
<td>10.2</td>
</tr>
<tr>
<td>The Unemployment Compensation Extension Act (enacted 22 Jul. 2010)</td>
<td>83.4</td>
</tr>
<tr>
<td>Supplemental Appropriations Act of 2010 (enacted 29 Jul. 2910)b</td>
<td>22.1</td>
</tr>
<tr>
<td>State Fiscal Relief for Education (enacted 10 Aug. 2010)</td>
<td>8.4</td>
</tr>
<tr>
<td>Small Business Jobs and Credit Act of 2010 (enacted 27 Sept. 2010)</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total Enacted Spending Increases</strong></td>
<td><strong>2,133.2</strong></td>
</tr>
<tr>
<td>Additional House-Passed Spending Increases</td>
<td></td>
</tr>
<tr>
<td>Cap and Trade (passed House 26 June 2009)</td>
<td>864.0</td>
</tr>
<tr>
<td>House-Passed Doc Fix (passed House 19 Nov. 2009)*</td>
<td>186.1</td>
</tr>
<tr>
<td><strong>Subtotal: Additional House-Passed</strong></td>
<td><strong>1,050.1</strong></td>
</tr>
<tr>
<td><strong>Total Enacted and House-Passed</strong></td>
<td><strong>3,183.3</strong></td>
</tr>
</tbody>
</table>

* Based on Congressional Budget Office, The Budget and Economic Outlook: An Update (August 2010).

b Figures include Congressional Budget Office estimate of non-defense spending unrelated to supplemental appropriations to fund war-related activities in Iraq and Afghanistan.

c The legislation increases spending by a total of $938 billion over 10 years, with reductions in Medicare producing the net spending increase.

d Figure has been adjusted down by enacted levels of spending in the Temporary Extension Act of 2010 ($8.1 billion) and the Continuing Extension Act of 2010 ($15.4 billion).
Among the major spending increases:

- A $938-billion increase for the new health care entitlement, offset by more than $500 billion in Medicare reductions to yield a net spending boost of $382 billion.
- A total of $634 billion in mandatory and discretionary spending in the failed “stimulus” bill.
- An increase of roughly $849 billion above inflation in appropriations bills.

There has been a stunning increase in appropriated (discretionary) spending in the past 2 years. Since taking office in January 2009, President Obama has signed legislation resulting in an 84-percent increase in non-defense discretionary spending (see Figure 3).

Taxes

The President and Democratic Congress have increased taxes by $670 billion over the next 10 years, according to an analysis by the Ways and Means Committee Republican staff. Many of these came in the health care legislation, including:

- A Medicare tax increase totaling $210.2 billion.
- A new annual tax on health insurance totaling $60.1 billion.
- A $52-billion tax on employers who do not comply with the bill’s mandates.
- A $27-billion tax on pharmaceuticals.

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7 The Ways and Means Committee staff analysis can be found at: http://republicans.waysandmeans.house.gov/UploadedFiles/DemTaxIncreases1.pdf.
The Ways and Means Committee staff analysis also says: “The list includes at least 14 violations of the President’s pledge not to raise taxes on Americans earning less than $200,000 for singles and $250,000 for married couples.”8 This specific group of tax hikes totals $316 billion over 10 years.

**Deficits and Debt**

Under the policies of the President and the Democratic Congress, the debt held by the public has risen to $9 trillion this year, 61.6 percent of GDP,9 the largest debt in history and the largest as a share of the U.S. economy in 59 years.

Compared with 2008, the President’s budget more than doubles the debt in 5 years and triples it in 10 years. By 2020, the President’s budget drives debt to an alarming 90 percent of the economy, according to the CBO10 – and beyond 2020 it rises sharply.

Since the start of the Democratic Congressional Majorities in January 2007, the deficit has widened more than eight-fold, from $161 billion to $1.3 trillion this year, and deficits under the President’s budget will total $9.8 trillion over the next 10 years.11

As a share of the economy, deficits this year and last exceeded 9 percent of GDP – the largest rate of excess spending since the Second World War. Going forward, deficits in the President’s budget never fall below $724 billion, and never below 4.1 percent of GDP12 – levels his past budget director termed “unsustainable.”

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8 Ibid.


10 Congressional Budget Office, *An Analysis of the President’s Budgetary Proposals for Fiscal Year 2011* (March 2010).

11 Ibid.

12 Ibid.
A DOMINEERING CENTRAL GOVERNMENT  
HEALTH CARE AND OTHER WASHINGTON TAKEOVERS  
AND BAILOUTS

GOVERNMENT CONTROL OF AMERICANS’ HEALTH CARE

- The Democratic health care legislation enacted this year will enlarge government, increase Federal spending, deficits, and debt, and create a dependence on the Federal Government at odds with America’s historic commitment to individual liberty and personal responsibility.

- It was muscled through Congress on a purely partisan vote, with an unprecedented abuse of a specialized budget process – called budget “reconciliation” – intended to control the size of government, not expand it.

- In addition to government dominance of how Americans receive and finance their health care, the principal consequences of the legislation include:

  - It initiates a government takeover of the health care sector (one-sixth of the U.S. economy), intrudes in the doctor-patient relationship, and increases total spending by $2.6 trillion when fully implemented – adding to an already unsustainable rate of government spending growth that will overwhelm the Federal budget and sacrifice the Nation’s future prosperity.

![The Real Cost of the Health Care Takeover](image)

- Without the gimmicks in the legislation, it increases the deficit by $701 billion over 10 years (see Figure 5 above). This total is based on realistic assumptions about double-counted Medicare savings, the newly created Community Living
Assistance Services and Support Act, Social Security transfers, the Medicare physician payment update (the “doc fix.”), and required appropriations.13

- It raises taxes by more than a half-trillion dollars over the next 10 years – the largest tax increase in American history.

- It cuts more than a half-trillion dollars from Medicare to finance a new entitlement – while doing nothing to shore up Medicare itself – and includes a series of additional gimmicks that hide the true cost of the legislation.

- It calls for discretionary spending increases of at least $115 billion over the next 10 years.14

OTHER TAKEOVERS AND BAILOUTS

☐ *Dodd-Frank Financial Regulation Bill.* This bill contains layer-upon-layer of new bureaucracy sewn together by complex regulations, but fails to address key problems – such as Fannie Mae and Freddie Mac – that led to the worst financial meltdown in recent history. It results in about $27 billion of new spending, mainly attributed to the more than $26-billion cost of bailing out banks deemed to be too-big-to-fail – “systemically significant” – by paying off their creditors. Ironically, it ends a *temporary* bailout fund to pay for *permanent* bailouts in the future by cancelling Troubled Asset Relief Program [TARP] funds for new commitments and using the budgetary “savings” to offset the cost of these creditor bailouts. The bill includes several other budget gimmicks, such as double-counting for pay-as-you-go purposes, fees designed to go into the Federal Deposit Insurance Corporation deposit insurance fund.15

☐ *Small Business Jobs and Credit Act.* In an effort to mask the burdens a sluggish economy imposes on small businesses, income tax rate uncertainty, and new costs from the recent health care legislation, the President signed into law a bill with more government spending and control. This legislation creates a TARP-like $30-billion small-business loan fund, expands the size and scope of government’s role in the lending business, and provides temporary tax credits chased by permanent tax increases. If scored on a market-adjusted, “fair value” basis, the bill will cost taxpayers $6.8 billion.16

☐ *College Loans.* Along with the health care legislation was a little-known government takeover of student loans. Democrats eliminated the 45-year-old Federal Family

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Education Loan Program, which leveraged private-sector capital to help students pay for college education and forced all Federal loans into the Department of Education’s Direct Loan program. This legislation turned the agency into one of the largest banks in the country. It is also driving up the government’s already dangerous level of the public debt, as the U.S. Treasury must now finance approximately $100 billion (and rising) annually for these student loans.

- **The Internet.** Earlier this year, the Chairman of the Federal Communications Commission initiated a regulatory proceeding to “reclassify” the Internet so that it would be subjected to the old monopoly-era style telephone rules, thereby giving the agency jurisdiction over all Internet traffic and the ability to impose so-called “net neutrality” regulations. Simultaneously, Energy and Commerce Committee Chairman Waxman has drafted net neutrality legislation and plans to move quickly to pass his bill. Republicans have opposed heavy regulation of the Internet because experts warn it will stifle both investment and innovation in a sector of the economy that has thrived without much government interference.

- **The Energy Sector.** House Democrats also passed a cap-and-trade bill that increased spending another $864 billion and initiated a takeover of most of the Nation’s energy sector. The legislation requires companies responsible for more than 86 percent of U.S. energy resources to obtain new emissions permits from the Federal Government to continue producing energy, and includes a series of new mandates on the production and use of energy. Meanwhile, it fails to boost two of the most reliable sources of clean energy: nuclear and hydro-power.


**LACK OF A BUDGET**

- With all their extravagant spending, making deficits and debt worse, House Democrats this year gave up on writing a budget – the first time since adoption of the Congressional Budget Act of 1974 that the House failed to mark up or pass a budget resolution.

- Instead, Democrats tried to “deem” their way around this most fundamental obligation of governing. Their so-called “budget enforcement resolution” – created by a rule for a supplemental spending bill – is not a budget, even in the most common terms.17

  - **IT DOES NOT SET PRIORITIES, OR ACCOUNT FOR SPENDING DEMANDS.** A Congressional budget resolution is a blueprint for allocating resources among the government’s major activities, and is the only legislative vehicle that views government spending, taxes, and borrowing comprehensively: everything else is piecemeal. The Democrats’ “enforcement resolution” offers no blueprint for budgeting, and does not show how the House intends to meet the government’s major obligations – defense, Medicare, Medicaid, veterans’ benefits, and so on. It opens the spigot for more spending, and leaves all the budgeting to someone else.

  - **IT IGNORES ENTITLEMENT SPENDING.** The deeming resolution does nothing to address the biggest challenge in the Federal budget: uncontrolled entitlement spending. Democrats already have worsened the entitlement crisis, first by ignoring it, then by adding a $2.6-trillion open-ended health care entitlement, among other things. The “deemer” just endorses their spending binge.

  - **IT MAKES NO ATTEMPT TO ALIGN SPENDING, TAX, DEFICIT, AND DEBT LEVELS.** The resolution fails to show how government spending in fiscal year 2011 will be financed – how much by taxes, how much by borrowing – and thereby ignores the alarming deficits and debt run up by this President and Congress. Under the President’s budget, debt held by the public doubles in 5 years (relative to 2008) and triples by the end of the decade; and by doing nothing, the Democratic leadership is endorsing that path.

- Through the mystical process of “deeming” in place of writing a budget, the Democratic Majority is delegating one of Congress’s most significant responsibilities – the power of the purse – this time relying on the Fiscal Commission created by the President to do Congress’ job.

- With no opportunity to consider a budget, House Republicans have offered a series of spending reduction bills that, at the time they were introduced, were estimated to save $1.3 trillion – an important first step toward setting the Federal Government on a sustainable fiscal path.18

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THE PAY-AS-YOU-GO SHAM

- Having failed to adopt a budget, the House Democratic Leadership continues to point to their pay-as-you-go [pay-go] rule to claim “fiscal discipline.” But in whatever form, pay-go has failed to prevent an explosion of deficit spending over the past 3½ years; and when enforced, the rule has mainly driven higher taxes to chase higher spending. Here are some of the results:

  - Since the start of the Democratic Congressional Majorities in January 2007, the deficit has widened more than eight-fold from $161 billion to $1.3 trillion this year, and deficits will total $9.8 trillion over the next 10 years, according to the Congressional Budget Office.¹⁹

  - So far during the 111th Congress, the President and Democratic Majority have enacted more than $1.6 trillion in 10-year deficit increases under pay-go, using various methods to hide the red ink and claim they were “paying for” their spending binge.

  - They also have increased net direct spending by $932 billion over 10 years, and used pay-as-you-go to increase taxes by $512 billion.

- Pay-as-you-go does not reduce total budget deficits because it is not designed to. It only aims to maintain existing deficit levels, however high they might be.

- Nor does pay-go control spending: its practice of offsetting spending increases or tax cuts with commensurate spending reductions or tax hikes seeks only to “pay for” them – which often just leads to higher taxes chasing higher spending. The pay-go system measures everything against a “baseline” deficit, making this standard a proxy for real budgeting; and this year – with the House Majority’s unprecedented failure to pass a budget resolution – the fundamentally flawed pay-go procedure has become their excuse and public relations fallback.

- Indeed, pay-go has enabled hundreds of billions of dollars in deficit increases, mainly due to generous loopholes allowing the Majority to satisfy the procedure’s technical requirements, and erect a façade of fiscal responsibility.

- Table 2 below shows four key elements of each major bill enacted during the 111th Congress: the net increase in direct spending; the amount of tax increase, if applicable; the deficit increase estimated under the pay-go regime; and the “adjusted” deficit increase – if the estimate is adjusted to remove gimmicks.²⁰

¹⁹ Congressional Budget Office, An Analysis of the President’s Budgetary Proposals for Fiscal Year 2011 (March 2010).

Table 2: Spending, Tax, and Deficit Effects of Enacted Pay-Go Legislation, 111th Congress
(dollars in billions)

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Net Increase in Direct Spending</th>
<th>Tax/Fee Change&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Scored Pay-Go Deficit Impact</th>
<th>Adjusted Deficit&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Children’s Health Insurance Program [SCHIP] (enacted 4 Feb. 2009)</td>
<td>73.8</td>
<td>74.8</td>
<td>-1.0&lt;sup&gt;c&lt;/sup&gt;</td>
<td>41.6&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>American Recovery and Reinvestment Act (&quot;stimulus&quot;) (enacted 17 Feb. 2009)</td>
<td>325.7</td>
<td>-180.0</td>
<td>0.0</td>
<td>814.0&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td>Family Smoking Prevention and Tobacco Control Act (enacted 22 June 2009)</td>
<td>0.4</td>
<td>1.5</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Worker, Homeownership, and Business Assistance Act (enacted 6 November 2009)</td>
<td>6.6</td>
<td>6.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplemental Appropriations Act of 2009 (enacted 24 June 2009)</td>
<td>0.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.5&lt;sup&gt;f&lt;/sup&gt;</td>
</tr>
<tr>
<td>Department of Defense Appropriations Act, Fiscal Year 2010 (enacted 19 Dec. 2009)</td>
<td>12.2</td>
<td>-6.4</td>
<td>0.0</td>
<td>18.6&lt;sup&gt;g&lt;/sup&gt;</td>
</tr>
<tr>
<td>Health Care/Ed. Reconciliation, Patient Protection Act (enacted 23 March 2010)</td>
<td>382.0</td>
<td>525.0</td>
<td>-143</td>
<td>701&lt;sup&gt;h&lt;/sup&gt;</td>
</tr>
<tr>
<td>The Hiring Incentives to Restore Employment Act (enacted 18 March 2010)</td>
<td>13.3</td>
<td>14.3</td>
<td>-0.7</td>
<td>-0.7&lt;sup&gt;i&lt;/sup&gt;</td>
</tr>
<tr>
<td>The Dodd-Frank Wall Street Reform Act (enacted 21 July 2010)</td>
<td>10.2</td>
<td>13.5</td>
<td>-3.2</td>
<td>22.3&lt;sup&gt;j&lt;/sup&gt;</td>
</tr>
<tr>
<td>The Unemployment Compensation Extension Act (enacted 22 July 2010)</td>
<td>83.4</td>
<td>50.1</td>
<td>0.0</td>
<td>33.3&lt;sup&gt;k&lt;/sup&gt;</td>
</tr>
<tr>
<td>Supplemental Appropriations Act of 2010 (enacted 29 July 2010)</td>
<td>13.4</td>
<td>0.0</td>
<td>0.0</td>
<td>13.4&lt;sup&lt;l&gt;l&lt;/sup&gt;</td>
</tr>
<tr>
<td>State Fiscal Relief for Education (enacted 10 August 2010)</td>
<td>8.4</td>
<td>9.8</td>
<td>12.6</td>
<td>-1.4&lt;sup&gt;m&lt;/sup&gt;</td>
</tr>
<tr>
<td>The Small Business Jobs and Credit Act of 2010 (enacted 27 September 2010)</td>
<td>2.1</td>
<td>2.5</td>
<td>-0.5</td>
<td>6.8&lt;sup&gt;n&lt;/sup&gt;</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>931.9</strong></td>
<td><strong>511.7</strong></td>
<td><strong>-136.8</strong></td>
<td><strong>1,648.4</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup> Tax or fee increases, reflected as positive numbers, should be subtracted from spending totals because they have the effect of reducing deficits; reductions (negative numbers), which increase deficits, should be added to spending.

<sup>b</sup> The “adjusted” figure reflects the deficit impact as measured against the Congressional Budget Office [CBO] current-law baseline, and removes exceptions for emergency designations, gimmicks, and other pay-go maneuvers. Positive numbers indicate deficit increase; negative numbers indicate deficit reduction.

<sup>c</sup> Legislation terminates provisions after 5 years. CBO estimates spending would total $115 billion if extended for 10 years. Subtracting the offsets from that figure produces the adjusted deficit amount.

<sup>d</sup> Declared an “emergency,” hence no pay-go deficit impact. With $308.3 billion in discretionary spending increases, the “stimulus” bill increases the deficit by $814 billion.

<sup>e</sup> Less than $50 million.

<sup>f</sup> This bill makes changes to mandatory programs which in 2009, prior to statutory pay-go, were exempt.

<sup>g</sup> The legislation added $12.2 billion in domestic mandatory spending and $6.4 billion in revenue reductions which were exempted from pay-as-you-go because they were included in an appropriations bill.

<sup>h</sup> The legislation increases gross spending by $938 billion over 10 years, offset by Medicare reductions to produce this $382-billion figure. This deficit figure is based on realistic assumptions about double-counted Medicare savings, the newly created Community Living Assistance Services and Support Act, Social Security transfers, the Medicare physician payment update, and required appropriations.

<sup>i</sup> Figures based on the best available estimates by CBO and the Joint Committee on Taxation.

<sup>j</sup> The bill improperly diverts $11 billion in “leftover” TARP bailout funds to finance higher spending, and double-counts about $14.5 billion in additional FDIC fees meant to go into the deposit insurance fund by using them to offset the act’s cost. This calculation eliminates these gimmicks.

<sup>k</sup> Legislation side-stepped pay-go with “emergency” designation.

<sup>l</sup> Spending increases resulted from VA Secretary’s decision to increase Agent Orange benefits, which CBO by convention were then included in the baseline – even though it produced a real deficit increase.

<sup>m</sup> Bill rescinded “emergency” funds, which CBO does not credit for pay-go, though it produced real deficit reduction.

<sup>n</sup> As required by the Budget Act, the bill was scored under Credit Reform. If scored on a fair-value basis – which accounts for market risk – the bill costs taxpayers $6.8 billion. Figures may not add due to rounding.