

FY 2010 Supplemental On Floor This Week

Tomorrow, the House may consider a FY 2010 war supplemental that includes \$37 billion for the wars in Iraq and Afghanistan, but also tens of billions for domestic spending. The legislation includes (among many other things): \$163 million for the Gulf of Mexico oil spill, \$5.1 billion for FEMA, \$2.93 billion for Haiti, \$701 million for enforcement on the Mexican border. Perhaps the most prominent non-war related spending item is the \$10 billion for the “Teacher Fund” which Democrats will say is intended to aid school districts in preventing layoffs of teachers, but is actually a bailout for states. Over the 1999-2009 period, state budgets on average grew by 6% a year—far in excess of economic growth or income growth. This spending item, as well as other “stimulus provisions” (such as the higher FMAP rates), will have the effect of awarding states for years of fiscal recklessness.

Quote of the Week:

“Next week we anticipate bringing a budget to the Floor that cuts spending below the President's budget. It will reinforce steps Democrats have taken to restore fiscal responsibility after years of runaway spending by Republicans exploded the deficit, including reiterating our commitment to PAYGO, and endorsing the goals of the bipartisan fiscal commission and committing to voting on any Senate-passed recommendations the commission makes to reduce the deficit.”

-Hoyer Press Release, 6/30/2010, on celebrating the House’s failure to pass a budget resolution.

FY 2011 Appropriations Markups Begin

For the first time since the modern budget process began, Congressional Democrats will fail to bring a budget resolution to the floor. Instead, Democrats are expected to attach a deeming resolution to the rule for the war supplemental. Details of what the deeming resolution will look like are unclear, but according to reports, it will set the FY 2011 non-emergency discretionary spending level at \$1.121 trillion—the highest level in U.S. history, and \$30 billion above last year.

This week, Appropriations Subcommittees will begin to markup FY 2011 appropriations bills. Yesterday, the Commerce-Justice-Science Subcommittee approved its bill. Later this week, the Agriculture Subcommittee, the State-Foreign Operations Subcommittee, the Legislative Branch subcommittee, and the T-HUD Subcommittee are scheduled to markup their bills.

Posey to Introduce Senior Citizens Income Security Act

Rep. Bill Posey will introduce legislation to eliminate several provisions in current law that are harmful to senior citizens. Specifically the bill does five things: **1) Repeals the 1993 Clinton tax increase on Social Security benefits** so that no senior is double taxed on their earned Social Security benefits. **2) Eliminates the requirement that seniors begin mandatory withdrawals from IRAs at age 70½.** This change will remove seniors from the unfair burden that forces them to begin withdrawals from retirement accounts in the aftermath of significant market losses. **3) Eliminates Social Security payroll taxes for Social Security recipients.** Since they are already receiving Social Security benefits, it makes no sense to take Social Security taxes out of their paychecks. **4) Allows seniors to continue receiving their earned Social Security benefits if they choose not to enroll in Medicare Part A.** **5) Creates a new \$250 exemption to eliminate burdensome tax paperwork for small amounts of income from savings accounts, dividends, or capital gains.** To become a cosponsor contact stuart.burns@mail.house.gov in Rep. Posey’s office.