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Appropriations Policy Brief

H.R. 2207 — Agricultural Disaster Assistance and Western States Emergency Unfinished Business Appropriations Act FY 2007

BY THE NUMBERS:

In millions

| | Request | Senate | House | Conference | H.R. 2207 |
|---------------------------------|----------|--------------|--------------|--------------|--------------|
| Title I, Agriculture Assistance | 0 | 4,192 | 3,726 | 3,500 | 3,500 |
| Title II, Western States | 0 | 960 | 960 | 985 | 985 |
| Total | 0 | 5,152 | 4,686 | 4,485 | 4,485 |

Budget Compliance: H.R. 2207 designates the entire \$4.5 billion in funding as an “emergency” to avoid budget restrictions. However, the FY 2007 budget resolution, H.Con.Res. 376, included a limit on spending for domestic emergencies. This “rainy day fund,” inserted at the behest of the RSC, caps this type of spending at \$6.45 billion. And H.R. 2206 and H.R. 2207 combined—with perhaps \$14.9 billion in such emergency funding—exhausts this fund and thus violates the budget resolution by roughly \$8.45 billion. As a result, since the Budget Committee did NOT meet in open session and increase the amount of funding in the reserve fund, the bill would be subject to a point of order on the floor for violating the Budget Act. Unfortunately, the point of order is waived by the rule. In addition, most of these “emergencies” do not meet the budget’s criteria for such spending (sudden, unforeseen, temporary, urgent, etc.), causing many conservatives to conclude that the Appropriations Committee is utilizing a major gimmick to avoid budget restraints.

PAYGO Compliance: According to the Budget Committee (Minority), H.R. 1591 (the prior supplemental, recently vetoed) included \$5.8 billion over eleven years in new entitlement spending that was not paid for with compensating offsets. The provisions in H.R. 2206 and H.R. 2207 (the agriculture assistance supplemental) that impact direct spending or federal revenue are similar to, or identical to, the conference report for H.R. 1591.

Earmark Disclosure: A statement inserted in the Congressional Record states that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of Rule XXI.

Agricultural Assistance (Title I):

In millions

| | Request | Senate | House | Conference | H.R. 2207 |
|--|----------------|---------------|--------------|-------------------|----------------------|
| Emergency Conservation Program | 0 | 35 | 20 | 20 | 20 |
| Dairy Assistance | 0 | 95 | | 20 | 20 |
| Emergency Grants to Assist Low-Income Migrant and Seasonal Workers | 0 | 0 | 0 | 21 | 21 |
| Farm Service Agency, Administrative Expenses | 0 | 0 | 0 | 30 | 30 |

Note: The above chart includes only discretionary spending and not new agriculture entitlement spending.

Items of Note:

Crop Disaster Assistance: Provides agriculture assistance to producers experiencing crop losses in 2005, 2006, or 2007 due to bad weather. Farmers experiencing losses in more than one year would be required to choose only one year for which they wish to receive loss compensation. A large portion would be provided in the form of direct payments to agriculture producers who experienced more than 35% crop loss in expected production. The payment would be 50% of the market price. Producers would not be eligible for these payments if they had failed to purchase available crop insurance. The bill ensures that these disaster payments would not exceed 95% of a crop's worth in the absence of hurricane destruction.

Livestock Assistance: Provides compensation for livestock losses in 2005, 2006, and 2007, due to a disaster, including wildfire in the state of Texas and other states and blizzards in the states of Colorado, Kansas, Nebraska, New Mexico, and Oklahoma. Cattlemen experiencing losses in more than one year would be required to choose only one year for which they wish to receive loss compensation.

Livestock Indemnity Payments: Provides livestock indemnity payments to producers on farms experiencing livestock losses due to hurricanes, floods, anthrax, and wildfires in the state of Texas and other states, and blizzards in the states of Colorado, Kansas, Nebraska, New Mexico, and Oklahoma. Cattlemen experiencing losses in more than one year would be required to choose only one year for which they wish to receive loss compensation. Payments would be not less than 30% of the market value of the livestock on the day before their death.

Emergency Conservation Program: Authorizes \$20 million to the Secretary of Agriculture for assistance through the Emergency Conservation Program for cleanup and restoration of farm and agricultural production lands.

Milk Income Loss Contract (MILC) Program: Extends for one month, authorization of MILC Program—extending it through September 2007.

Dairy Assistance: Provides \$20 million to make payments to dairy producers for dairy production losses in disaster counties.

Low Income Migrant Workers: Provides \$21 million for grants to public agencies and private organizations (501(c)(3)s) that have experience in providing emergency services to low-income migrant and seasonal farm workers after there has been a local, state or national emergency that has caused these workers to lose income.

Farm Service Agency: Provides \$30 million for administrative expenses (for salaries and expenses) at the Farm Service Agency.

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Emergency Appropriations for Western States (Title II):

In millions

| | Request | Senate | House | Conference | |
|---------------------------------------|----------------|---------------|--------------|-------------------|-----|
| NOAA, California Salmon | 0 | 60 | 60 | 60 | 60 |
| Interior, Wildland Fire Management | 0 | 100 | 100 | 100 | 100 |
| Agriculture, Wildland Fire Management | 0 | 400 | 400 | 400 | 400 |
| Secure Rural Schools, USDA | 0 | 400 | 400 | 425 | 425 |

Items of Note:

National Oceanic and Atmospheric Administration (NOAA): Provides \$60.4 million for the National Marine Fisheries Service under NOAA to be distributed among fishing communities, Indian tribes, individuals, small businesses, including fishermen, fish processors, and related businesses for assistance to “mitigate the economic and other social effects caused by the commercial fishery failure, as determined by the Secretary on August 10, 2006.”

Wildland Fire Management: Provides a combined \$400 million for the Bureau of Land Management and the U.S. Forest Service for “urgent wildland fire suppression activities.”

Secure Rural Schools Act (Forest County Payments): Provides \$425 million to be used for one-time payments to be allocated to states under the Secure Rural Schools and Community Self-Determination Act of 2000. This program provides a funding stream (known as forest county payments) to counties with large amounts of Bureau of Land Management land, in order to compensate for the loss of receipt-sharing payments on this land caused by decreased revenue from timber sales due to environmental protections for endangered species. The authorization for these forest county payments expired at the end of FY 2006, and counties received their last payment under the Act in December 2006.

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