



2008 SPRING SYMPOSIUM BUDGET POLICY AND ITS PEOPLE—AT THE CROSSROADS?

SESSION SUMMARY

Play Ball!

Matt Kazan, Reporter

It's 3 A.M. and your children are safe and asleep, but there's a phone in Stan Collender's house, and it's ringing. Something has happened in the world...the world of budgeting that is.

Stan Collender, managing director for Qorvis Communications and columnist for Roll Call and Capital-GamesandGains.com, was up late the previous weekend putting the finishing touches on his humorous yet informative presentation that brought this year's AABPA Spring Symposium to a close and its attendees to their feet. With the thoughts of this year's baseball season upon us and the opening of the beautiful new National's Stadium, Mr. Collender's presentation, entitled "Take Me Out to the Budget," gave attendees an informative view of the current state of the federal budget as well as where we may go from here, with a flavor of America's past time.

Live from Budgetville Stadium, a re-cap of the FY 2008 budget season: a season that Mr. Collender characterized as "a very bad season for everyone." Pitting the White House Reds against the Congressional Blues, no one came out of this fight as clear winners. The congress-

sional budget resolution was passed two months late, "and that was the high point." The national debt exceeded \$9 trillion for the first time in history, President Bush vetoed one appropriation bill and one supplemental appropriation bill, no appropriations were enacted before the beginning of the fiscal year, and four continuing resolutions were needed to prevent a government shutdown. In his post game analysis, Mr. Collender reflected his thoughts, "It should be buried in the backyard and never seen or heard from again."

As Chicago Cubs fans have come accustomed to saying, "Well, there's always next year." But as Mr. Collender pointed out, the outlook for FY 2009 wasn't looking any better and the game itself will be much different this year. The season will be much shorter with less time to work, so there may be extra innings, or in other words a lame duck Congress working after the election. It's the last season for the Red's starting pitcher, President Bush, and the ownership of the Senate going into the election is unclear. Advantage, the White House Reds. Without enough votes for cloture or to overturn a veto, President Bush will have the opportunity to "veto everything the Democrats want to do."

Just like a sudden downpour between innings, the economic downturn has changed everything. Mr. Collender predicted PAYGO, the congressional agreement to ensure any new expenditures or tax changes will not add to the federal deficit, would be waved, there will be no deficit reduction, and because it is an election year, "blaming the other team is as important as winning." Apologies to Tom Hanks, but there is crying in baseball.

Finally, FY 2009 was about to start. The national anthem had been sung, the hot dogs and Cracker Jacks had been served, and the veteran pitcher for the White House Reds took to the mound...and hurled a knuckleball across the plate that no one seemed to like. In response to President Bush's 2009 Budget, for once Congress came together in a bipartisan fashion. Senator Gregg (R-NH) declared, "This...is not a serious budget." Senator Conrad (D-ND) agreed, "This budget will be quickly forgotten." Mr. Collender pointed out that while the Congressional Blues did pass a budget resolution, it was passed mostly along party lines and was totally irrelevant. He predicted only two of twelve appropriations will be enacted before the beginning of the

another season filled with continuing resolutions and supplemental or emergency appropriations. In other words as Mr. Collender pointed out, 2009 will be “a low scoring pitchers’ duel.”

But as Mr. Collender looked to 2010, he previewed the serious challenges confronting our nation’s fiscal health:

- Defense spending will continue to grow with the ongoing conflicts in Iraq and Afghanistan, including much needed equipment replacement, ongoing recruitment as well as continuing care for our returning veterans.
- Medicare will continue to grow, expanding the size of entitlements.

- Domestic spending, which has been spread thin, will have to address issues of concern, specifically the Center for Disease Control, FEMA, and the Food and Drug Administration.

- The Alternative Minimum Tax will become more expensive to reform as time continues. In 2009 it will cost \$1 trillion to repeal and by 2016 “repealing the AMT will cost more than repealing the income tax.”

- Policy makers will also have to decide whether to make the Bush tax cuts permanent, at an estimated cost of \$2 trillion.

- Finally, Mr. Collender stressed that often the most overlooked challenge is the impact of the inter-

est paid toward the national debt. The interest represents the third largest portion of the budget, at approximately \$10 billion a year, and is also the fastest growing single expenditure.

In other words, come 2010, both teams better come to play.

So as the 2009 budget cycle may feel more like the seventh inning stretch, 2010 presents great challenges and perhaps opportunities as well. So grab your glove, the sunscreen and your favorite team’s jersey, because as Mr. Collender proclaimed, 2010 will be, “a budget debate like you’ve never seen before!”

x

