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WHAT DOES THE SPRATT MOTION TO INSTRUCT BUDGET CONFEREES MEAN?

by Richard Kogan

On April 1 the House of Representatives appointed three members of the Budget Committee to negotiate with the Senate on their competing congressional budget plans. On a non-binding motion by Rep. John Spratt, the ranking Democratic Member of the Budget Committee, the House voted 399-22 to “instruct the conferees” to drop most of the entitlement cuts proposed by the House but not included in the Senate budget and to accept the Senate’s “reserve” for increasing the solvency of the Social Security Trust Fund. The Spratt motion stated that the size of the tax cut should be reduced accordingly.

Both during and after the House debate, Members displayed considerable confusion or conflict about the exact meaning of the Spratt motion. This analysis explains what the Spratt motion actually says and comments about the ways in which some House leaders have mischaracterized the motion.

The Spratt motion has three components.

- The House budget plan contains a special section directing 13 House committees to pass legislation cutting entitlement programs. The 13 Committees would be required to cut entitlement programs within their jurisdiction by specified amounts, totaling \$264.5 billion over the ten-year period 2004-2013 (relative to the Congressional Budget Office projections of what those entitlement programs will cost under existing law).¹ The Senate budget plan contains no such entitlement cuts. *The Spratt motion directs the House conferees to eliminate all of the entitlement cuts for 6 of the 13 committees, reducing the entitlement cuts in the House plan by \$215.3 billion, from \$264.5 billion to \$49.3 billion.*
- The Senate-passed budget plan establishes a special reserve of \$396 billion through 2013 that can be used only to facilitate Social Security reform (by allowing up to that amount of general fund revenues to become available to the

¹ The largest such cuts were designated for the Committee on Energy and Commerce, which has jurisdiction over Medicaid, and the Committee on Ways and Means, which has jurisdiction over Medicare, Unemployment Compensation, Supplemental Security Income, and a various other programs that largely benefit people in poverty. For further discussions of these entitlement cuts, see Center on Budget, *House Budget Plan Calls For Cuts In Key Domestic Entitlement Programs* at <http://www.cbpp.org/3-20-03bud2.pdf>, and *The Human Costs Of Cuts In Major Low-Income Programs Contained In The House Budget Resolution* at <http://www.cbpp.org/3-27-03wel.pdf>. The Government Reform Committee was given special permission to cut programs *not* in its jurisdiction; see Center on Budget, *House Budget Gives Government Reform Committee Unprecedented Power To Cut Programs In Other Committees’ Jurisdictions* at <http://www.cbpp.org/3-31-03bud.pdf>.

Social Security trust fund). The Senate's Social Security reserve was created as part of the Breaux amendment, which also reduced the size of the tax cut called for under the Senate budget plan. If Congress does not use the reserve for the stated purpose, the money would not be spent. *The Spratt motion directs the House conferees to agree to this Social Security reserve.*

- The House-passed budget plan calls for \$1.4 trillion of tax cuts through 2013. *The Spratt motion directs the House conferees to reduce the size of the tax cuts by the \$215 billion restored to entitlement programs **and** by the \$396 billion devoted to the Social Security reserve, for a total reduction of \$611 billion.* This would reduce the size of the tax cuts to \$789 billion over ten years. The Spratt motion also requires the conferees to stay within the boundaries of the House and Senate budget plans, as the rules of the House of Representatives demand. Since the Senate budget plan calls for \$852 billion in tax cuts through 2013, the Spratt motion can best be thought of as directing House conferees to reduce the size of the tax cut to the Senate's \$852 billion.

How is the Spratt Motion Being Portrayed?

During floor debate, Republican leaders initially opposed the Spratt motion but later decided to support it. Rep. Tom DeLay, the Majority Leader, offered two justifications for this switch in positions. First, he said that the Spratt motion calls for a freeze on entitlement spending at the 2003 levels, and a freeze constitutes spending restraint. Second, Rep. DeLay contended that the Spratt motion reduced the tax cut in the House budget from \$1.4 trillion to \$1.2 trillion and thereby constituted a Democratic endorsement of \$1.2 trillion in tax cuts. Both of these interpretations of the Spratt motion are clearly in error.

- The House-passed budget resolution calls for cuts in entitlement programs, relative to what the entitlement programs are projected by CBO to cost under existing law.² By removing the cuts in the entitlement programs under the jurisdiction of six committees, the Spratt motion would allow those programs to continue to operate as called for under existing law. There is no conceivable basis in either the House budget plan or the Spratt motion for any interpretation that the motion calls for a *freeze* on expenditures in these programs. To secure a freeze would require enactment of legislation canceling cost-of-living adjustments and caseload increases in programs such as the School Lunch Program and the Supplemental Security Income program and freezing federal contributions to Medicaid despite continuing increases in health care costs. The Spratt amendment explicitly eliminates all requirements to enact legislation affecting these programs and leaves these programs as they stand under current law.
- Rep. Delay's statement that the Spratt motion calls for \$1.2 trillion in tax cuts also is mistaken. The Spratt motion reduced the size of the tax cut by about \$550

² While some programs, such as the Social Services Block Grant, have their funding frozen under existing law, most are like Medicaid, which costs more each year as the population grows and as health care costs rise.

billion (from \$1.4 trillion to \$852 billion), not by \$215 billion. Rep. Spratt said so in debate when he noted that those advancing those claims were “willfully misconstruing” his motion.³

It also may be noted that whether the Spratt motion instructed conferees to reduce the tax cut by \$611 billion (as Dear Colleague letters from Mr. Spratt indicate), by \$548 billion (because of the House Rule that the conferees must stay in scope), or by \$215 billion (as some may have mistakenly believed), it is not plausible to assert that the motion constituted a Democratic “endorsement” of the resulting level of tax cuts. None of the three Democratic budget plans voted on the previous week contained tax cuts of those sizes. Rather, the sponsors and initial supporters of the Spratt motion likely took the view that they favored reducing the size of the tax cut in conference to the maximum extent that the Rules of the House allow.

The same sort of discussion recently occurred in the Senate. When four centrist Senators proposed to cut the size of the Senate’s tax cut by almost \$400 billion, many other Senators publicly declared that the resulting tax cut would still be too large; they voted against the amendment for that reason and the amendment failed. A few days later, when it became clear that the Senate budget plan was going to pass whether the tax cut was reduced or not, most of the Senators who had initially voted against reducing the cost of the tax cut on the grounds that any tax cut was irresponsible switched their votes and supported the amendment the second time it was offered. For these Senators, the second vote did not constitute an “endorsement” of the resulting tax cut; it was a pragmatic recognition that a big tax cut is less fiscally damaging than an even larger one.

³ Mr. Spratt, Congressional Record, April 1, 2003, page H2547. “... the gentleman [Mr. Nussle] is willfully misconstruing this resolution, and if he will simply read his black letter language, he will find out not only do we restore \$214 billion of programs like Medicare and Medicaid to be at the level the President requested, we also provide for the Breaux amendment to be adopted and incorporated so that \$396 billion can be taken out of the tax cuts and assigned to Social Security. ... Add these two together.”