Written by <u>Veronique de Rugy</u> on September 14, 2017

Hurricane Harvey Relief Comes With an Extra-Large Side of Pork

It was just a matter of time before our ideologically flexible president started making deals across the aisle. The result is a \$15 billion Harvey relief package that includes short-term debt ceiling and government funding increases, along with the promise of a messy end-of-year negotiation process.

President Donald Trump most likely equates making deals with getting things done. But all deals aren't created equal, and for anyone who believes in fiscal responsibility, this deal, which passed the House and the Senate in spite of many disgruntled members, was particularly lousy.

First, considering our \$20 trillion debt, the only acceptable deal would have been one that included a long-term extension of the debt ceiling in exchange for placing fiscal constraints on spending growth. Instead, the president's deal extends fiscal uncertainty and debt ceiling drama to December.

The timing is also awful. The need to raise the debt ceiling will coincide once again with the fiscal crunch of budget negotiation. That will inevitably reinforce the belief that Republicans can't govern and will lead to more debt and spending. Many Republicans who want to demand budget caps in exchange for raising the debt ceiling will feel they can't press for them unless they're willing to risk a government shutdown. Others who want a smaller funding bill will go along with more spending to avoid a government default.

That is why Rep. Jim Jordan, R-Ohio, House Freedom Caucus member and former chairman, has already said the caucus will ask party leadership to extract the next debt ceiling debate from the broader budget negotiations. Caucus members will also demand a plan that provides unilateral authority for the debt ceiling to be raised only if Congress sticks to spending caps as a share of gross domestic product that will be reduced over time.

Second, Trump's deal removed any leverage conservative House members might have had to pass a Harvey relief bill that wasn't packed with non-Harvey-related pork. With the exception of \$450 million going to the Small Business Administration, the original House bill had held the line nicely on preventing non-emergency items.

Sadly, the same cannot be said about the Senate amendment that complied with the president's commitment to Dems. That amendment then served as the final legislation's template. On the Harvey side, it included \$7.4 billion for the Department of Housing and Urban Development's Community Development Block Grant program — which had been on the president's budget chopping block because its "allocation formula poorly targets funds to the areas of greatest need" and because "many aspects of the program have become outdated."







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But because Harvey relief was linked to the continuing resolution, voting for money for Texas also meant, among other things, agreeing to extend the authority for the Eisenhower Memorial Commission, a project begun in 1999 and described by columnist George Will as a "saga of arrogance and celebrity worship." He added, "Sixteen years later, and eight years after the project's 2007 scheduled completion, scores of millions have been squandered, and there is no memorial and no immediate prospect of building one." It also meant a vote to extend the problematic Head Start base grants and allows for an increase in former presidents' pension.

It extended the National Flood Insurance Program until December, too. Simply put, lawmakers were asked to vote for relief funds along with an extension of a program that creates incentives that put people in harm's way. "The program is debt-ridden and dysfunctional," The Heritage Foundation's Diane Katz recently wrote in a study that detailed the NFIP's problems, adding, "A large proportion of the flood-risk maps are obsolete, and thus the premiums charged under the National Flood Insurance Program do not reflect actual risk. Because property owners do not bear the full cost of flood risk, they are more likely to locate in flood-prone areas and less likely to undertake preventive measures. The devastation of natural disasters is worsened as a result."

It's delusional to believe that lawmakers who will have to find ways to pass a budget, increase the debt ceiling and focus on tax reform, among other policy priorities, will have the ability to make the constructive reforms that are so badly needed.

I'll conclude with a warning: As bad as this deal was, I fear there will be even more lousy deals coming. For instance, it's rumored that Trump could make a deal with Dems to get rid of the debt ceiling altogether in exchange for tax reform. Just imagine how that could go wrong.

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