



## Congress' Tortured Math

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The just-passed MAP-21 (transportation omnibus) is paid for! It reduces the debt over 10 years!

By \$16.3 billion, [if CBO is to be believed](#).

Let's look at the tortured math...

First, the \$16.3 billion includes \$11.2 billion in increased premiums from the Pension Benefit Guaranty Corporation – which is itself \$26 billion in debt!

But for arguments sake, let's leave that aside for a second.

This bill reduces the debt by \$16.3 billion only if you don't include the \$18.8 billion transfer from the Treasury to the Highway Trust Fund! Or the transfer of \$2.4 billion from the Leaking Underground Storage Tank (LUST) Fund to the Highway Trust Fund!

**So, here's how the Senate math works:**

1. Add up the revenue (from things like changes to pensions) and subtract out the expenses (for things like Secure Rural Schools and Payment in Lieu of Taxes) = **\$16.3 billion in deficit reduction**
2. Ignore the \$18.8 billion transfer from the Treasury (because, in Congressional parlance that nobody in the real world could possibly understand, it would not increase "direct spending", duh!, so it doesn't count) and the \$2.4 billion transfer from LUST. In fact, you can see how the Senate treats both provisions ("*This provision does not have a budgetary effect.*") in the [Senate Finance summary](#).
3. Result? **\$16.3 billion in debt reduction!!!!** (see how easy that was?)

**The House math is a little different, because their budget rules treat the HTF differently:**

1. Add up the revenue (from things like changes to pensions) and subtract out the expenses (for things like Secure Rural Schools and Payment in Lieu of Taxes) = **\$16.3 billion in deficit reduction**
2. Unlike the Senate, the House rules don't let them ignore the \$18.8 billion transfer from Treasury (but they are still allowed to ignore the LUST transfer).
3. Result? **\$2.5 billion in deficit spending**. Well, that's no good, what shall we do?
4. Count the \$2.7 billion in revenue increases from the National Flood Insurance Program, despite that CBO itself concluded: "However, because many policies would continue to be subsidized and the program would continue to face significant interest costs from its prior and future borrowing, CBO expects that additional receipts collected under this legislation would be spent to cover future program shortfalls, resulting in no net effect on the budget over the 11-year period."
5. **Result? \$200 million in debt reduction** (see how easy that was?)

This is the same bad math that would sink any small business, bankrupt any taxpayer, and that got us into the fiscal mess we currently find ourselves. But Congress was unashamed passing this bill and claiming it would reduce the deficit.

**Let's do the math as we see it:**

1. Start with the **\$16.3 billion in deficit reduction** the CBO found. Looking good so far!
2. But we need to subtract the \$11.2 billion increase in pension premiums, right? Since the PBGC is \$26 billion in debt and any premium increase should go toward that. Result = **\$5.1 billion in deficit reduction**. Not great, but still in the black!
3. But don't forget the \$18.8 billion transfer! For our purposes, we'll count that as real spending, because it is. Result = **\$13.7 billion in deficit spending**. Uh oh.
4. But what about the money from the flood insurance reforms? Yeah, we won't be counting that. We'll leave that to settle the debt the National Flood Insurance Program owes the Treasury. Result = still **\$13.7 billion in deficit spending**. D'oh.
5. Should we add the \$2.4 billion LUST Transfer, which would only make the deficit spending figure even worse? Some would, some wouldn't. But either way, it doesn't really matter. The simple facts are that:
6. **Result: MAP-21 is a terrible bill for taxpayers.**

Quick Version of Congress' Tortured Math				
	Senate Math	House Math	Real Math	Explanation
CBO Number	\$16.30	\$16.30	\$16.30	CBO Calculated net Treasury revenue
PBGC Premiums			(\$11.20)	Increased revenue, but should be applied to PBGCs \$26B debt
<b>Total, New net revenues</b>	<b>\$16.30</b>	<b>\$16.30</b>	<b>\$5.10</b>	
Treasury Xfer to HTF	nope	(\$18.80)	(\$18.80)	Straight transfer, Senate rules don't count it as deficit spending
<b>Total, revenues after xfer</b>	<b>\$16.30</b>	<b>(\$2.50)</b>	<b>(\$13.70)</b>	
Flood Insurance	\$0.00	\$2.70	nope	Bill increases premiums, but should be applied to the flood insurance program's debt
<b>Total, alleged deficit reduction/spending</b>	<b>\$16.30</b>	<b>\$0.20</b>	<b>(\$13.70)</b>	

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