



California U.S. Senate Candidate Spending Analysis – Carly Fiorina

Total Net Spending Agenda: -\$154.796 billion (savings)

Economy, Transportation, and Infrastructure: Unknown

A. Free Trade Agreements:

“... Carly will support and vote to approve the United States’ free trade agreements with South Korea and Colombia, as well as the Panama Trade Promotion Agreement...”

http://www.carlyforca.com/downloads/carlys_economic_growth_plan.pdf

Cost: Unknown.

Note: The primary impact of free trade bills is generally on federal revenues. Depending on the terms of the agreement, there may be some outlays as well. For example, the Congressional Budget Office (CBO) projects that H.R. 3688, the United States-Peru Trade Promotion Agreement Implementation Act (110th Congress), “would reduce revenues by \$20 million in 2008, increase revenues by \$292 million over the 2008-2012 period, and reduce revenues by \$423 million over the 2008-2017 period. CBO estimates that enacting H.R. 3688 also would increase direct spending by \$4 million in 2008 and by \$27 million over the 2008-2012 period, and reduce direct spending by \$443 million over the 2008-2017 period. Further, CBO estimates that implementing the legislation would result in new discretionary spending of less than \$500,000 per year, assuming the availability of appropriated funds.”

<http://www.cbo.gov/ftpdoc.cfm?index=8790&type=1>

Education, Science, and Research: \$600 million

A. Accountability and Choice:

“Carly will pursue policies that put into place more accountability and choice into education.”

http://www.carlyforca.com/downloads/carlys_economic_growth_plan.pdf

Cost: \$600 million (first-year cost).

Source: Related legislation has been introduced in the form of H.R. 4837 (111th Congress), the School Accountability Improvement Act of 2010. The text authorizes \$600 million over five years to conduct research and to make grants to states and groups of states for the purpose of developing and implementing standards and assessments in academic subjects for which states are held accountable for making adequate yearly progress under the Elementary and Secondary Education Act of 1965.

Note: Federal law mandates that students have the option to change to another public school if their original school fails to meet established annual progress goals. Several

bills in the 111th Congress make reforms to that option. The remaining bills concerning school choice aim to restore the DC Opportunity Scholarship Program. The program is currently being funded through a continuing resolution at \$12 million and is not allowed to award new scholarships; the funding is only available for existing participants. At its height of funding, in Fiscal Year 2008, the program received \$15 million.
<http://www.gpoaccess.gov/usbudget/fy10/pdf/appendix/edu.pdf>

Energy, Environment, and Agriculture: Unknown

A. Comprehensive Energy Policy:

“... Carly supports, and will work to develop, a comprehensive energy policy for the country that relies on the development of energy from many sources including clean coal, nuclear power, wind, solar, and increased access to domestic sources of petroleum.”

http://www.carlyforca.com/downloads/carlys_economic_growth_plan.pdf

Cost: Unknown.

Note: H.R. 2846 (111th Congress), the American Energy Act, would address a number of energy issues including opening more areas to natural gas exploration, streamlining the nuclear regulatory process, and providing tax incentives for the use of clean-coal equipment and to assist in the operation of coal-to-liquid fuel facilities. A cost estimate is unavailable. NTUF is unable to estimate any other costs due to the lack of details in Fiorina’s proposal.

B. Energy Research:

“What we need to do in a comprehensive energy policy is fund energy R&D [Research and Development], we need to give more federal funding to [the] Lawrence Livermore [National Laboratory], for example, we need to give more to Berkeley...”

http://www.youtube.com/watch?v=_mOO65sXxz0&feature=player_embedded#!
http://www.huffingtonpost.com/2010/09/01/boxer-fiorina-debate_n_702976.html

Cost: Unknown.

Note: Related legislation has been introduced in the form of H.R. 5262 (111th Congress), a bill to amend the Atomic Energy Defense Act to authorize the Administrator for Nuclear Security to establish technology transfer centers at national security laboratories, and for other purposes. The bill provides for such centers at Lawrence Livermore National Laboratory, California, and Sandia National Laboratory, California. The bill would require each center to foster collaborative scientific research, technology development, and the appropriate transfer of research and technology to users in addition to the national security laboratories. A cost estimate is currently unavailable.

C. Offshore Drilling:

“... I believe it [the decision to allow for offshore drilling] should be up to the voters in each state... .”

http://www.youtube.com/watch?v=hgsRZ-_HJSE&feature=channel

Cost: Unknown.

Note: The primary fiscal impact of expanding offshore drilling would be to increase “offsetting receipts,” which the U.S. Treasury officially records as “negative outlays.” The amount resulting from Fiorina’s proposal would depend upon each state’s preferences.

Health: -\$3.119 billion (savings)

A. Health Clinics:

“... [A]nother obvious thing that will help – that we can do right now – is to have more health clinics around the state and around the country[,] ... lower cost clinics where people can go for more routine care. So that people aren’t abusing the emergency room or, worse yet, people are just failing to take care of their health because there isn’t a[n] inexpensive, convenient, accessible place to go to get a flu shot or to talk to someone about a thrown-out back or whatever the problem is.”

<http://www.youtube.com/watch?v=myNnv8Raz-o&feature=channel>

Cost: Unknown.

Note: Related legislation has been introduced in the form of S. 1355 (111th Congress), a bill to improve access to health care for individuals residing in underserved rural areas and for other purposes. A cost estimate is currently unavailable. The President’s Fiscal Year 2011 Budget requests \$2.4 billion in FY 2011 for health centers.

B. Health Insurance Market Competition:

“To improve quality while also lowering costs, Washington should focus on passing bipartisan reforms that are known to be effective, such as encouraging competition in the health insurance market... .”

<http://www.carlyforca.com/issues/healthcare/>

Cost: Unknown.

Note: Elsewhere, Fiorina discusses allowing the purchase of health insurance across state lines. It is unclear what additional policies she would pursue.

C. Purchase Insurance Across State Lines:

“... [I]f we would allow, indeed encourage, health insurance companies to compete across state lines[;] ... let people buy health insurance anywhere in the country they want, from anyone they want.”

<http://www.youtube.com/watch?v=JZ3uZyhQFyI&feature=related>

Cost: \$56 million (\$280 million over five years).

Source: CBO cost estimate for H.R. 2355 (109th Congress), the Health Care Choice Act of 2005. This bill was reintroduced in the 110th Congress in the form of H.R. 4460.
<http://www.cbo.gov/ftpdocs/66xx/doc6639/hr2355.pdf>

D. Reimportation of Prescription Drugs:

“Why shouldn’t we have competition for pharmaceuticals? ... Why shouldn’t people be able to import drugs from Canada? I’m all for it.”

<http://www.baycitizen.org/health/story/fiorina-health-care-bill-repeal-replace/>

Cost: -\$600 million (-\$5.4 billion over nine years).

Source: CBO estimate for H.R. 380 (110th Congress), the Pharmaceutical Market Access and Drug Safety Act. CBO projects that the savings would result because of reductions in federal direct spending for prescription drugs by \$5.4 billion over nine years.
<http://www.cbo.gov/doc.cfm?index=8729&zcz=35857>

E. Repeal and Replace the Patient Protection and Affordable Care Act (PPACA):

“Carly opposes the recently enacted health care legislation because it increases taxes, expands the role of government in health care, creates uncertainty for businesses when it comes to planning for health care for their employees and will do nothing to lower costs of care or increase its quality... . She advocates for its repeal and replacement with a bill that relies on creating more competition, reducing the role of government, lowering costs and enhancing the quality of care.”

http://www.carlyforca.com/downloads/carlys_economic_growth_plan.pdf

Cost: Unknown.

Note: CBO failed to complete a comprehensive analysis of all the spending resulting from passage of H.R. 3590 (111th Congress), the Patient Protection and Affordable Care Act (PPACA). Among the known costs, including the changes in direct spending listed in a March 11, 2010 CBO letter, and the specified and certain estimated authorizations and implementation costs in a CBO letter on May 11, 2010, the law could increase spending by \$88.679 billion over the FY 2011 to FY 2015 period. The bill also included unspecified spending authority that CBO has not estimated.

http://www.cbo.gov/ftpdocs/113xx/doc11307/Reid_Letter_HR3590.pdf

http://www.cbo.gov/ftpdocs/114xx/doc11490/LewisLtr_HR3590.pdf

It is also unclear what specific programs Fiorina would implement in the place of PPACA.

F. Tort Reform:

“To improve quality while also lowering costs, Washington should focus on passing bipartisan reforms that are known to be effective, such as ... cracking down on frivolous lawsuits”

<http://www.carlyforca.com/issues/healthcare/>

Cost: -\$2.575 billion (-\$10.3 billion over five years).

Source: In a 2009 letter to Senator Orrin Hatch, CBO stated, “Tort reform could affect costs for health care both directly and indirectly: directly, by lowering premiums for medical liability insurance; and indirectly, by reducing the use of diagnostic tests and other health care services when providers recommend those services principally to reduce their potential exposure to lawsuits.”

http://www.cbo.gov/ftpdocs/106xx/doc10641/10-09-Tort_Reform.pdf

Homeland Security, Law Enforcement, and Immigration: \$1.598 billion

A. Border Security:

“Carly believes that the solution to our nation’s illegal immigration program must begin with securing our borders.”

<http://www.carlyforca.com/issues/immigration/>

“The assumption should be that it is the federal government’s responsibility to secure the border. They have failed in that responsibility. They do not need one new piece of legislation to secure the border. They just need to do it.”

<http://spectator.org/blog/2010/05/03/fiorina-on-immigration>

Cost: \$1.5 billion (\$3 billion over two years).

Source: Related legislation was introduced in the form of S. 2348 (110th Congress), the Beginning Farmer and Rancher Opportunity Act of 2007. The text authorizes \$3 billion for two years.

Note: Ms. Fiorina has not made specific plans or recommendations as to how to secure the border. However, in comparison with other sources and similar statements from other candidates, a border fence would be a traditional first step. Recent media reports cite \$3 billion as a recurring cost for a border fence.

<http://www.washingtontimes.com/news/2010/mar/17/napolitano-shifts-policy-on-mexico-border-fence/>

In August 2010, President Obama signed H.R. 6080 (111th Congress), a bill making emergency supplemental appropriations for border security for the fiscal year ending September 30, 2010, and for other purposes. The bill increases funding for more agents and equipment along the Mexican border. Media reports cite \$600 million as a total cost.
<http://www.washingtontimes.com/news/2010/aug/13/obama-signs-600m-border-security-bill-law/>

B. Development, Relief, and Education for Alien Minors (DREAM) Act:

“I believe that the 21st century is the century of brainpower and innovation and we need to cultivate all the brainpower we can by making sure that people are well educated here. Yes, I

would support the DREAM Act, because I do not believe that we should punish children who through no fault of their own are here trying to live the American Dream.”

http://www.huffingtonpost.com/2010/09/01/boxer-fiorina-debate_n_702976.html

http://www.youtube.com/watch?v=nubghKQIUQE&feature=player_embedded#!

Cost: Unknown.

Note: The DREAM Act would adjust the status of certain undocumented alien children to conditional legal permanent resident status if they meet specific criteria. In the 108th Congress, CBO estimated that S. 1545, the DREAM Act, would have a minimal cost over the first five years, but would eventually cost upwards of \$15 million a year for increased Medicaid and Food Stamp expenses for which the children would become eligible. Given the recent legislative changes to federal student loan programs and the changes made to Medicaid in the Patient Protection and Affordable Care Act, it is uncertain what the current cost of this legislation might be.

<http://www.cbo.gov/doc.cfm?index=4981&type=0>

C. Guest Worker Program:

“Carly is also committed to developing an effective visa program and temporary worker program to support legal immigrants An effective temporary worker program for seasonal agricultural employees and visa programs for workers in other high-skill, high-demand industries can help us fill what are often dire employment needs.”

<http://www.carlyforca.com/issues/immigration/>

Cost: \$98 million (\$492 million over five years).

Source: Related legislation for seasonal agricultural workers has been introduced in the form of S. 1038 (111th Congress), the AgJOBS Act of 2009, a bill to improve agricultural job opportunities, benefits, and security for aliens in the United States, and for other purposes. A related provision for so-called “blue card” agricultural worker visas was included in the CBO cost estimate for S. 2611 (109th Congress), the Comprehensive Immigration Reform Act of 2006.

<http://www.cbo.gov/cedirect.cfm?bill=s2611&cong=109>

Miscellaneous – Federal Government: -\$153.875 billion (savings)

A. Budget – Spending Cap:

“Fiorina proposes that Congress . . . [p]ass the Sessions/McCaskill spending cap bill”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

“Where would I cut? First, let’s institute a spending cap in Washington, D.C. I would return spending, as a beginning, to 2008 levels.”

<http://www.scpn.org/news/2010/09/30/transcript-kpcc-debate-between-california-senate-c/>

“Fiorina proposes that Congress... [c]ap annual spending to the historical average of 20 percent of the economy.”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: -\$108.414 billion (first-year savings).

Source: According to Tables 3.1 and 8.1 of the *Budget of the U.S. Government, Fiscal Year 2011, Historical Tables*, FY 2008 levels for non-defense, non-veterans spending totaled \$437.6 billion, and is expected to reach \$546.1 billion in FY 2011. In a September debate, Fiorina said “I would not cut funding for national security.” NTUF assumes her proposal would exclude defense and veterans spending as well.

With regards to Fiorina’s statement relating to a 20 percent Gross Domestic Product spending cap, too many variables exist to calculate the savings that would result from a FY 2012 spending cut, the first year Fiorina could vote on a federal budget. Had it applied to FY 2011, a \$780.249 billion savings would result. This was calculated with data from Table 2.1 of the *Budget of the U.S. Government, Fiscal Year 2011, Historical Tables*, and by reducing government spending by 5.1 percent. Fiorina’s spending reduction timetable is also unclear.

<http://www.whitehouse.gov/omb/budget/Historicals>

B. End Ownership of Certain Government-Sponsored Enterprises:

“Fiorina proposes that Congress ... [e]nd taxpayers’ ownership stakes in Detroit, Wall Street, Fannie Mae and Freddie Mac by the end of 2011.”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: Unknown.

Note: Related legislation has been introduced in the form of S. 1242 (111th Congress), the Government Ownership Exit Plan Act. The bill would prohibit purchases of new ownership stakes in private companies through the Troubled Asset Relief Program and require the selling of any current ownership stakes. A cost estimate is currently unavailable.

C. Federal Earmark Elimination:

“Fiorina proposes that Congress ... [e]nd earmarks and sweetheart deals”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: Unknown.

Source: Fiorina is unclear about what “sweetheart deals” would be eliminated. If she is referring to provisions passed in H.R. 3590 (111th Congress), the Patient Protection and Affordable Care Act, related legislation has been introduced in the form of H.R. 4960 (111th Congress), a bill to eliminate sweetheart deals under the Patient Protection and

Affordable Care Act. The bill would repeal Medicaid spending provisions for Connecticut, Hawaii, Louisiana, Montana, Tennessee, and “Frontier States.” The sponsor reports the bill would save \$2.9 billion over five years.

Note: Eliminating earmarks does not necessarily reduce spending. Earmarks are special instructions on the use of appropriated funds. If the earmarked funds are returned to the agencies’ general appropriations and are not rescinded, no savings would result.

D. Federal Employees – Partner Benefits:

“I do believe that marriage is between a man and a woman, but also have been consistent and clear that I support civil unions for gay and lesbian couples.”

http://www.huffingtonpost.com/2010/09/02/carly-fiorina-opposes-sam_n_703447.html

Cost: \$39 million (\$196 million over five years).

Note: CBO estimate for S. 1102 (111th Congress), the Domestic Partnership Benefits and Obligations Act of 2009.

<http://www.cbo.gov/ftpdocs/114xx/doc11494/s1102.pdf>

E. Federal Program Reauthorizations:

“Fiorina proposes that Congress ... [r]eview every government program as their authorizations expire to ensure only effective programs receive additional funding.”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: Unknown.

Note: Related legislation was introduced in the form of H.R. 5794 (110th Congress), the Federal Sunset Act of 2008. The bill would establish a Federal Agency Sunset Commission to evaluate the efficiency and need for every agency and recommend its abolishment or reauthorization. A cost estimate is unavailable. Similar legislation has not been introduced in the 111th Congress.

F. Federal Workforce:

“Carly believes the federal government must start with obvious reforms: ... limiting federal salaries and benefits.”

<http://www.carlyforca.com/issues/fiscalaccountability/>

“I would call on the federal government to freeze pay. I would call on the federal government as well to only hire one person for every two that leave government service”

<http://www.scpr.org/news/2010/09/30/transcript-kpcc-debate-between-california-senate-c/>

Cost: -\$5.5 billion (-\$19.5 billion over five years).

- Workforce Benefits: (Unknown). It is unclear to what extent Congress could affect current federal workforce benefits owing to legal issues.

- Workforce Pay: (-\$2 billion). Related legislation has been introduced in the form of H.R. 5382 (111th Congress), a bill to provide for a temporary freeze on the pay of civilian employees of the Federal Government. Uniformed service employees are exempted. The sponsor reports the bill would save \$2 billion over one year. <http://bachmann.house.gov/News/DocumentSingle.aspx?DocumentID=187328>
- Workforce Attrition: (-\$3.5 billion). Related legislation has been introduced in the form of H.R. 5348 (111th Congress), the Federal Workforce Reduction Act of 2010. The bill would allow the government to hire only one employee for every two workers who leave. Departments of Defense, Homeland Security, and Veterans Affairs employees would be exempt. The sponsor reports the bill would save \$35 billion over ten years. <http://www.govexec.com/dailyfed/0810/08091011.htm>

G. Income Tax Deficit Check-Off:

“Fiorina proposes that Congress ... [g]ive taxpayers the opportunity to designate 0 to 10 percent of their federal tax liability towards debt reduction.”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: Unknown.

Note: Related legislation has been introduced in the form of H.R. 4308 (111th Congress), the Deficit Reduction Check-Off Act, and S. 3496 (111th Congress), the Debt Buy-Down Act. Cost estimates for both bills are currently unavailable.

H. Stimulus:

“Fiorina proposes that Congress ... [p]ut unused stimulus money toward debt reduction”

<http://www.carlyforca.com/2010/09/carly-fiorina-unveils-plan-to-rein-in-out-of-control-government-spending/>

Cost: -\$40 billion (-\$199 billion over five years).

Source: As of September 17, 2010, unobligated “stimulus” spending for contracts, grants, loans, and entitlements totaled \$199 billion. NTUF assumes that the bulk of these funds would otherwise be spent over the next five years. There is an additional \$55 billion worth of unobligated tax benefits, an unknown portion of which may result in outlays through “refundable” credits.

<http://www.recovery.gov/pages/textview.aspx?List={EB595CCA-D93F-48F4-AF96-11E2D41DE73D}&xsl=Charts/FundingOverviewChartTextView.xsl>