105TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 105–116

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998

JUNE 4, 1997.—Ordered to be printed

Mr. KASICH, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H. Con. Res. 84]

CONFERENCE REPORT (H. REPT. 105–116)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 84), establishing the congressional budget for the United States Government for fiscal year 1998 and setting forth appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the resolution and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1998.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1998 including the appropriate budgetary levels for fiscal years 1999, 2000, 2001, and 2002 as required by section 301 of the Congressional Budget Act of 1974.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution—

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1998: $1,199,000,000,000.
Fiscal year 1999: $1,241,900,000,000.
Fiscal year 2000: $1,285,600,000,000.
Fiscal year 2001: $1,343,600,000,000.
Fiscal year 2002: $1,407,600,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1998: $−7,400,000,000.
Fiscal year 1999: $−11,100,000,000.
Fiscal year 2000: $−22,000,000,000.
Fiscal year 2001: $−22,800,000,000.
Fiscal year 2002: $−19,900,000,000.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1998: $113,500,000,000.
Fiscal year 1999: $119,100,000,000.
Fiscal year 2000: $125,100,000,000.
Fiscal year 2001: $130,700,000,000.
Fiscal year 2002: $136,800,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1998: $1,386,700,000,000.
Fiscal year 1999: $1,440,100,000,000.
Fiscal year 2000: $1,486,400,000,000.
Fiscal year 2001: $1,520,200,000,000.
Fiscal year 2002: $1,551,600,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1998: $1,372,000,000,000.
Fiscal year 1999: $1,424,100,000,000.
Fiscal year 2000: $1,468,800,000,000.
Fiscal year 2001: $1,500,700,000,000.

Fiscal year 2002: $1,515,900,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1998: $−173,000,000,000.
Fiscal year 1999: $−182,200,000,000.
Fiscal year 2000: $−183,200,000,000.
Fiscal year 2001: $−157,100,000,000.
Fiscal year 2002: $−108,300,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1998: $5,593,500,000,000.
Fiscal year 1999: $5,841,000,000,000.
Fiscal year 2000: $6,088,600,000,000.
Fiscal year 2001: $6,307,300,000,000.
Fiscal year 2002: $6,481,200,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1998: $34,000,000,000.
Fiscal year 1999: $33,400,000,000.
Fiscal year 2000: $34,900,000,000.
Fiscal year 2001: $36,100,000,000.
Fiscal year 2002: $37,400,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1998: $315,700,000,000.
Fiscal year 1999: $324,900,000,000.
Fiscal year 2000: $328,200,000,000.
Fiscal year 2001: $332,200,000,000.
Fiscal year 2002: $335,300,000,000.

SEC. 102. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1998: $402,800,000,000.
Fiscal year 1999: $422,300,000,000.
Fiscal year 2000: $442,600,000,000.
Fiscal year 2001: $461,600,000,000.
Fiscal year 2002: $482,800,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1998: $317,600,000,000.
Fiscal year 1999: $330,600,000,000.
Fiscal year 2000: $343,600,000,000.
Fiscal year 2001: $358,100,000,000.
Fiscal year 2002: $372,500,000,000.

SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obliga-

tions, and new primary loan guarantee commitments for fiscal years 1998 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1998:

(A) New budget authority, $268,200,000,000.

(B) Outlays, $266,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $600,000,000.

Fiscal year 1999:

(A) New budget authority, $270,800,000,000.

(B) Outlays, $265,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $800,000,000.

Fiscal year 2000:

(A) New budget authority, $274,800,000,000.

(B) Outlays, $268,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,100,000,000.

Fiscal year 2001:

(A) New budget authority, $281,300,000,000.

(B) Outlays, $270,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,100,000,000.

Fiscal year 2002:

(A) New budget authority, $289,100,000,000.

(B) Outlays, $272,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $1,100,000,000.

(2) International Affairs (150):

Fiscal year 1998:

(A) New budget authority, $15,900,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $12,800,000,000.

Fiscal year 1999:

(A) New budget authority, $14,900,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $13,100,000,000.

Fiscal year 2000:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,000,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $13,400,000,000.

Fiscal year 2001:

(A) New budget authority, $16,100,000,000.

(B) Outlays, $14,800,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $13,800,000,000.

Fiscal year 2002:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $14,800,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $14,200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1998:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $16,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $15,900,000,000.

(B) Outlays, $16,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $15,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $15,600,000,000.

(B) Outlays, $15,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1998:

(A) New budget authority, $3,100,000,000.

(B) Outlays, $2,200,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,500,000,000.

(B) Outlays, $2,400,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $3,200,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $2,000,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $2,800,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1998:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $22,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $23,200,000,000.
(B) Outlays, $22,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $23,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $22,200,000,000.
(B) Outlays, $22,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $22,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1998:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $9,600,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
Fiscal year 1999:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $11,300,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
Fiscal year 2000:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $11,100,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
Fiscal year 2001:

(A) New budget authority, $11,000,000,000.
(B) Outlays, $9,500,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,600,000,000.
Fiscal year 2002:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,100,000,000.
(C) New direct loan obligations, $11,000,000,000.
(D) New primary loan guarantee commitments, $6,700,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1998:
(A) New budget authority, $6,600,000,000.
(B) Outlays, −$900,000,000.
(C) New direct loan obligations, $4,700,000,000.
(D) New primary loan guarantee commitments, $245,500,000,000.
Fiscal year 1999:
(A) New budget authority, $11,100,000,000.
(B) Outlays, $4,300,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $253,500,000,000.
Fiscal year 2000:
(A) New budget authority, $15,200,000,000.
(B) Outlays, $9,800,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $255,200,000,000.
Fiscal year 2001:
(A) New budget authority, $16,100,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $258,000,000,000.
Fiscal year 2002:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $259,900,000,000.
(8) Transportation (400):
Fiscal year 1998:
(A) New budget authority, $46,400,000,000.
(B) Outlays, $40,900,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $46,600,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:

(A) New budget authority, $47,100,000,000.
(B) Outlays, $41,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $48,100,000,000.
(B) Outlays, $41,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $49,200,000,000.
(B) Outlays, $41,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1998:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $10,400,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 1999:
(A) New budget authority, $8,500,000,000.
(B) Outlays, $10,900,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 2000:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $11,000,000,000.
(C) New direct loan obligations, $3,000,000,000.
(D) New primary loan guarantee commitments, $2,400,000,000.
Fiscal year 2001:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $3,100,000,000.
(D) New primary loan guarantee commitments, $2,500,000,000.
Fiscal year 2002:
(A) New budget authority, $7,800,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $2,500,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1998:
(A) New budget authority, $60,000,000,000.
(B) Outlays, $56,100,000,000.
(C) New direct loan obligations, $12,300,000,000.
(D) New primary loan guarantee commitments, $20,700,000,000.
Fiscal year 1999:

(A) New budget authority, $60,500,000,000.
(B) Outlays, $59,300,000,000.
(C) New direct loan obligations, $13,100,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 2000:
(A) New budget authority, $61,700,000,000.
(B) Outlays, $60,700,000,000.
(C) New direct loan obligations, $13,900,000,000.
(D) New primary loan guarantee commitments, $23,300,000,000.
Fiscal year 2001:
(A) New budget authority, $63,000,000,000.
(B) Outlays, $61,900,000,000.
(C) New direct loan obligations, $14,700,000,000.
(D) New primary loan guarantee commitments, $24,500,000,000.
Fiscal year 2002:
(A) New budget authority, $63,300,000,000.
(B) Outlays, $62,300,000,000.
(C) New direct loan obligations, $15,400,000,000.
(D) New primary loan guarantee commitments, $25,700,000,000.
(11) Health (550):
Fiscal year 1998:
(A) New budget authority, $137,800,000,000.
(B) Outlays, $137,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 1999:
(A) New budget authority, $145,000,000,000.
(B) Outlays, $144,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $154,100,000,000.
(B) Outlays, $153,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $163,400,000,000.
(B) Outlays, $163,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $172,200,000,000.
(B) Outlays, $171,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1998:
(A) New budget authority, $201,600,000,000.
(B) Outlays, $201,800,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $212,100,000,000.
(B) Outlays, $211,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $225,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $239,600,000,000.
(B) Outlays, $238,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $251,500,000,000.
(B) Outlays, $250,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1998:
(A) New budget authority, $239,000,000,000.
(B) Outlays, $247,800,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 1999:
(A) New budget authority, $254,100,000,000.
(B) Outlays, $258,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2000:
(A) New budget authority, $269,600,000,000.
(B) Outlays, $268,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2001:
(A) New budget authority, $275,100,000,000.
(B) Outlays, $277,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
Fiscal year 2002:
(A) New budget authority, $286,900,000,000.
(B) Outlays, $285,200,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(14) Social Security (650):

Fiscal year 1998:

(A) New budget authority, $11,400,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $12,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $13,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $14,400,000,000.

(B) Outlays, $14,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1998:

(A) New budget authority, $40,500,000,000.

(B) Outlays, $41,300,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $27,100,000,000.

Fiscal year 1999:

(A) New budget authority, $41,500,000,000.

(B) Outlays, $41,700,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $26,700,000,000.

Fiscal year 2000:

(A) New budget authority, $41,700,000,000.

(B) Outlays, $41,900,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $26,200,000,000.

Fiscal year 2001:

(A) New budget authority, $42,100,000,000.

(B) Outlays, $42,200,000,000.

(C) New direct loan obligations, $1,200,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

Fiscal year 2002:

(A) New budget authority, $42,300,000,000.

(B) Outlays, $42,400,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $25,100,000,000.

(16) Administration of Justice (750):

Fiscal year 1998:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $22,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $25,100,000,000.

(B) Outlays, $24,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $24,200,000,000.

(B) Outlays, $25,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $24,400,000,000.

(B) Outlays, $25,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $24,900,000,000.

(B) Outlays, $24,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1998:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $14,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,400,000,000.

(B) Outlays, $14,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $14,000,000,000.

(B) Outlays, $14,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1998:

(A) New budget authority, $296,500,000,000.

(B) Outlays, $296,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $304,600,000,000.

(B) Outlays, $304,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $305,100,000,000.

(B) Outlays, $305,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $303,800,000,000.

(B) Outlays, $303,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $303,700,000,000.

(B) Outlays, $303,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1998:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1998:

(A) New budget authority, −$41,800,000,000.
(B) Outlays, −$41,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, −$36,900,000,000.
(B) Outlays, −$36,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, −$36,900,000,000.
(B) Outlays, −$36,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, −$39,200,000,000.
(B) Outlays, −$39,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, −$51,100,000,000.
(B) Outlays, −$51,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SEC. 104. RECONCILIATION IN THE SENATE.

(a) RECONCILIATION OF SPENDING REDUCTIONS.—Not later than June 13, 1997, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to increase outlays by not more than $300,000,000 in fiscal year 2002 and by not more than $1,500,000,000 for the period of fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction that reduce the deficit $434,000,000 in fiscal year 2002 and $1,590,000,000 for the period of fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that reduce the deficit $14,849,000,000 in fiscal year 2002 and $26,496,000,000 for the period of fiscal years 1998 through 2002.

(4) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget

and Emergency Deficit Control Act of 1985) to reduce outlays $6,000,000 in fiscal year 2002 and $13,000,000 for the period of fiscal years 1998 through 2002.

(5) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction—

(A) that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $40,911,000,000 in fiscal year 2002 and $100,646,000,000 for the period of fiscal years 1998 through 2002; and

(B) to increase the statutory limit on the public debt to not more than $5,950,000,000,000.

(6) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs shall report changes in laws within its jurisdiction that reduce the deficit $1,769,000,000 in fiscal year 2002 and $5,467,000,000 for the period of fiscal years 1998 through 2002.

(7) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $1,057,000,000 in fiscal year 2002 and $1,792,000,000 for the period of fiscal years 1998 through 2002.

(8) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $681,000,000 in fiscal year 2002 and $2,733,000,000 for the period of fiscal years 1998 through 2002.

(b) RECONCILIATION OF REVENUE REDUCTIONS.—Not later than June 20, 1997, the Senate Committee on Finance shall report to the Senate a reconciliation bill proposing changes in laws within its jurisdiction necessary to reduce revenues by not more than $20,500,000,000 in fiscal year 2002 and $85,000,000,000 for the period of fiscal years 1998 through 2002.

(c) TREATMENT OF CONGRESSIONAL PAY-AS-YOU-GO.—For purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation which reduces revenues pursuant to a reconciliation instruction contained in subsection (b) shall be taken together with all other legislation passed pursuant to the reconciliation instructions contained in this resolution when determining the deficit effect of such legislation.

(d) CHILDREN'S HEALTH INITIATIVE.—

(1) DEFICIT NEUTRAL ADJUSTMENTS.—After the reporting of reconciliation legislation pursuant to subsection (a), or after the submission of a conference report thereon, and if the Committee on Finance reduces outlays by an amount greater than the outlay reduction that is required by subsection (a)(5)(A), the Chairman of the Committee on the Budget of the Senate, with the concurrence and agreement of the ranking minority member, may submit in writing appropriately revised (A) reconciliation

instructions to the Committee on Finance to reduce the deficit, (B) allocations, (C) limits, and (D) aggregates.

(2) FLEXIBILITY ON ADJUSTMENTS.—The adjustments made pursuant to this subsection shall not exceed $2,300,000,000 in fiscal year 1998 and $16,000,000,000 for the period of fiscal years 1998 through 2002 and shall not cause an increase in the deficit levels in this resolution.

SEC. 105. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) PURPOSE.—The purpose of this section is to provide for two separate reconciliation bills: the first for entitlement reform and the second for tax relief.

(b) SUBMISSIONS.—

(1) ENTITLEMENT REFORMS.—Not later than June 13, 1997, the House committees named in subsection (c) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) TAX RELIEF AND MISCELLANEOUS REFORMS.—Not later than June 14, 1997, the House committees named in subsection (d) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(c) INSTRUCTIONS RELATING TO ENTITLEMENT REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000 in outlays for fiscal year 2002, and $179,884,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$32,743,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $507,150,000,000 in outlays for fiscal year 2002, and $2,259,294,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal

year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $89,528,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $375,722,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $88,711,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $117,959,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,581,000,000 in outlays for fiscal year 1998, $506,522,000,000 in outlays for fiscal year 2002, and $2,257,912,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,172,136,000,000 in revenues for fiscal year 1998, $1,382,679,000,000 in revenues for fiscal year 2002, and $6,358,388,000,000 in revenues in fiscal years 1998 through 2002.

(C) The House Committee on Ways and Means shall report changes in laws within its jurisdiction to increase the statutory limit on the public debt to not more than $5,950,000,000,000.

(d) INSTRUCTIONS RELATING TO TAX RELIEF AND MISCELLANEOUS REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $34,571,000,000 in outlays for fiscal year 1998, $37,008,000,000

in outlays for fiscal year 2002, and $179,884,000,000 in outlays in fiscal years 1998 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$8,435,000,000 in outlays for fiscal year 1998, −$5,091,000,000 in outlays for fiscal year 2002, and −$32,743,000,000 in outlays in fiscal years 1998 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $393,533,000,000 in outlays for fiscal year 1998, $507,150,000,000 in outlays for fiscal year 2002, and $2,259,294,000,000 in outlays in fiscal years 1998 through 2002.

(4) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $17,222,000,000 in outlays for fiscal year 1998, $17,673,000,000 in outlays for fiscal year 2002, and $89,528,000,000 in outlays in fiscal years 1998 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $68,975,000,000 in outlays for fiscal year 1998, $81,896,000,000 in outlays for fiscal year 2002, and $375,722,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1998, $621,000,000 in fiscal year 2002, and $1,829,000,000 in fiscal years 1998 through 2002.

(6) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,087,000,000 in outlays for fiscal year 1998, $17,283,000,000 in outlays for fiscal year 2002, and $88,711,000,000 in outlays in fiscal years 1998 through 2002.

(7) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $22,444,000,000 in outlays for fiscal year 1998, $24,563,000,000 in outlays for fiscal year 2002, and $117,959,000,000 in outlays in fiscal years 1998 through 2002.

(8) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within

its jurisdiction such that the total level of direct spending for that committee does not exceed: $397,581,000,000 in outlays for fiscal year 1998, $506,522,000,000 in outlays for fiscal year 2002, and $2,257,912,000,000 in outlays in fiscal years 1998 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction such that the total level of revenues for that committee is not less than: $1,164,736,000,000 in revenues for fiscal year 1998, $1,362,179,000,000 in revenues for fiscal year 2002, and $6,273,388,000,000 in revenues in fiscal years 1998 through 2002.

(C) The House Committee on Ways and Means shall report changes in laws within its jurisdiction to increase the statutory limit on the public debt to not more than $5,950,000,000,000.

(e) DEFINITION.—For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.1.

(f) CHILDREN'S HEALTH INITIATIVE.—If the Committees on Commerce and Ways and Means report recommendations pursuant to their reconciliation instructions that, combined, provide an initiative for children's health that would increase the deficit by more than $2.3 billion for fiscal year 1998, by more than $3.9 billion for fiscal year 2002, and by more than $16 billion for the period of fiscal years 1998 through 2002, the committees shall be deemed to not have complied with their reconciliation instructions pursuant to section 310(d) of the Congressional Budget Act of 1974.

TITLE II—BUDGETARY RESTRAINTS AND RULEMAKING

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DISCRETIONARY LIMITS.—In the Senate, in this section and for the purposes of allocations made for the discretionary category pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1998—

(A) for the defense category $269,000,000,000 in new budget authority and $266,823,000,000 in outlays; and

(B) for the nondefense category $257,857,000,000 in new budget authority and $286,445,000,000 in outlays;

(2) with respect to fiscal year 1999—

(A) for the defense category $271,500,000,000 in new budget authority and $266,518,000,000 in outlays; and

(B) for the nondefense category $261,499,000,000 in new budget authority and $292,803,000,000 in outlays;

(3) with respect to fiscal year 2000, for the discretionary category $537,193,000,000 in new budget authority and $564,265,000,000 in outlays;

(4) with respect to fiscal year 2001, for the discretionary category $542,032,000,000 in new budget authority and $564,396,000,000 in outlays; and

(5) with respect to fiscal year 2002, for the discretionary category $551,074,000,000 in new budget authority and $560,799,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) a revision of this resolution or any concurrent resolution on the budget for fiscal years 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit or limits for such fiscal year; or

(B) any bill or resolution (or amendment, motion, or conference report on such bill or resolution) for fiscal year 1998, 1999, 2000, 2001, or 2002 that would cause any of the limits in this section (or suballocations of the discretionary limits made pursuant to section 602(b) of the Congressional Budget Act of 1974) to be exceeded.

(2) EXCEPTION.—

(A) IN GENERAL.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(B) ENFORCEMENT OF DISCRETIONARY LIMITS IN FISCAL YEAR 1998.—Until the enactment of reconciliation legislation pursuant to subsections (a) and (b) of section 104 of this resolution—

(i) subparagraph (A) of paragraph (1) shall not apply; and

(ii) subparagraph (B) of paragraph (1) shall apply only with respect to fiscal year 1998.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, new entitlement authority, revenues, and deficits for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 202. ALLOWANCE FOR THE IMF.

(a) ADJUSTMENTS.—In the Senate, for fiscal year 1998, 1999, 2000, 2001, or 2002, and in the House of Representatives, for fiscal year 1998 or 1999, after the reporting of an appropriations measure (or after the submission of a conference report thereon) that includes

an appropriation with respect to paragraph (1) or (2), the chairman of the Committee on the Budget shall increase the appropriate allocations, budgetary aggregates, and, in the Senate only, discretionary limits, by the amount of budget authority in that measure that is the dollar equivalent, in terms of Special Drawing Rights, of—

(1) an increase in the United States quota as part of the International Monetary Fund Eleventh General Review of Quotas (United States Quota); or

(2) any increase in the maximum amount available to the Secretary of the Treasury pursuant to section 17 of the Bretton Woods Agreement Act, as amended from time to time (New Arrangements to Borrow).

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations may report to its House appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 203. ALLOWANCE FOR SECTION 8 HOUSING ASSISTANCE.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—For fiscal year 1998, after the reporting of an appropriation measure (or after the submission of a conference report thereon) that includes an appropriation for the renewal of expiring contracts for tenant- and project-based housing assistance under section 8 of the United States Housing Act of 1937, the chairman of the Committee on the Budget may increase the appropriate allocations in this resolution by the amount provided in that appropriation measure for that purpose, but not to exceed $9,200,000,000 in budget authority and the appropriate amount of outlays.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations may report to its House appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 204. SEPARATE ENVIRONMENTAL ALLOCATION.

(a) COMMITTEE ALLOCATIONS.—After the Committee on Commerce and the Committee on Transportation and Infrastructure report a bill (or after the submission of a conference report thereon) or in the Senate, after the Committee on Environment and Public Works reports a bill (or after the submission of a conference report thereon) to reform the Superfund program to facilitate the cleanup of hazardous waste sites that does not exceed—

(1) $200,000,000 in budget authority for fiscal year 1998,

(2) $200,000,000 in outlays for fiscal year 2002, and

(3) $1,000,000,000 in budget authority for the period of fiscal years 1998 through 2002,

the chairman of the Committee on the Budget of that House may increase the appropriate allocations of budget authority in this resolution by the amounts provided in that bill for that purpose and the outlays flowing in all years from such budget authority.

(b) PRIOR SURPLUS.—In the Senate, for the purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation reported (or the submission of a conference report thereon) pursuant

to subsection (a) shall be taken together with all other legislation passed pursuant to section 104 of this resolution.

SEC. 205. PRIORITY FEDERAL LAND ACQUISITIONS AND EXCHANGES.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—For fiscal year 1998, after the reporting of an appropriation measure (or after the submission of a conference report thereon) that provides $700 million in budget authority for fiscal year 1998 for Federal land acquisitions and to finalize priority Federal land exchanges, the Chairman of the Committee on the Budget of each House shall increase the appropriate allocations by that amount of budget authority and the outlays flowing from such budget authority to the Committee on Appropriations of that House.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations may report to its House appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 206. ALLOWANCE FOR ARREARAGES.

(a) ADJUSTMENT FOR DISCRETIONARY SPENDING.—(1) In the Senate, for the period of fiscal years 1998 through 2002, or in the House of Representatives, for the period of fiscal years 1998 and 1999, after the reporting of an appropriations measure (or after the submission of a conference report thereon) that includes an appropriation for arrearages for international organizations, international peacekeeping, and multilateral development banks during that fiscal year, the Chairman of the Committee on the Budget shall increase the appropriate allocations, aggregates, and, in the Senate only, discretionary spending limits, in this resolution by an amount provided for that purpose in that appropriation measure.

(2) In the Senate, the adjustments described in paragraph (1) for the period of fiscal years 1998 through 2002 may not exceed $1,884,000,000 in budget authority and the outlays flowing in all years from such budget authority.

(b) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations shall report to its House appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the adjustments made pursuant to subsection (a).

SEC. 207. INTERCITY PASSENGER RAIL RESERVE FUND FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—If legislation is enacted which generates revenue increases or direct spending reductions to finance an intercity passenger rail fund and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution. Necessary authorizing reforms and additional funding contained in this reserve fund for intercity passenger rail should both occur in this Session, and if such funds are appropriated before the enactment of such reforms, such appropriated funds shall not be made available until the enactment of such reforms.

(b) ESTABLISHING A RESERVE.—

(1) ADJUSTMENTS TO CAPTURE SAVINGS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct spending reductions.

(2) DETERMINATION OF MAXIMUM DISCRETIONARY ALLOWANCE.—Upon the submission of such revisions, the Chairman of the Committee on the Budget shall also submit the amount of revenue increases or direct spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (c).

(c) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—After either—

(A) the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that appropriates funds for the National Railroad Passenger Corporation and funds from the intercity passenger rail fund; or

(B) the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that appropriates funds from the intercity passenger rail fund (funds having previously been appropriated for the National Railroad Passenger Corporation for that same fiscal year),

the Chairman of the Committee on the Budget may submit increased budget authority allocations, aggregates, and, in the Senate only, discretionary limits, for the amount appropriated for authorized expenditures from the intercity passenger rail fund and the outlays in all years flowing from such budget authority.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(d) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (b) shall not be made—

(A) with respect to direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under sections 302(a) and 602(a) of the Budget Act in this resolution (not including the direct spending reductions envisioned in subsection (b)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (b)).

(2) BUDGET AUTHORITY.—The budget authority adjustments made pursuant to subsection (c) shall not exceed the amounts specified in subsection (b)(2) for a fiscal year.

SEC. 207A. INTERCITY PASSENGER RAIL RESERVE FUND IN THE SENATE FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—In the Senate, if legislation is enacted which generates revenue increases or direct spending reductions to finance an intercity passenger rail fund and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ESTABLISHING A RESERVE.—

(1) ADJUSTMENTS TO CAPTURE SAVINGS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget of the Senate may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct spending reductions.

(2) DETERMINATION OF MAXIMUM DISCRETIONARY ALLOWANCE.—Upon the submission of such revisions, the Chairman of the Committee on the Budget of the Senate shall also submit the amount of revenue increases or direct spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (c).

(c) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—After either—

(A) the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that appropriates funds for the National Railroad Passenger Corporation and funds from the intercity passenger rail fund; or

(B) the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that appropriates funds from the intercity passenger rail fund (funds having previously been appropriated for the National Railroad Passenger Corporation for that same fiscal year),

the Chairman of the Committee on the Budget of the Senate may submit increased budget authority allocations, aggregates, and discretionary limits, for the amount appropriated for authorized expenditures from the intercity passenger rail fund and the outlays in all years flowing from such budget authority.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations of the Senate may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(d) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (b) shall not be made—

(A) with respect to direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under sections 302(a) and 602(a) of the Budget Act in this resolution (not including the direct spending reductions envisioned in subsection (b)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (b)).

(2) BUDGET AUTHORITY.—The budget authority adjustments made pursuant to subsection (c) shall not exceed the amounts specified in subsection (b)(2) for a fiscal year.

SEC. 208. MASS TRANSIT RESERVE FUND IN THE SENATE FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—In the Senate, if legislation generates revenue increases or direct spending reductions to finance mass transit and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ADJUSTMENT FOR BUDGET AUTHORITY.—After the reporting of legislation (the offering of an amendment thereto or conference report thereon) that reduces non-mass transit direct spending or increases revenues for a fiscal year or years, the Chairman of the Committee on the Budget of the Senate may submit appropriately revised allocations and aggregates by an amount that equals the amount such legislation reduces direct spending or increases revenues for a fiscal year or years.

(c) ESTABLISHING A RESERVE.—

(1) REVISIONS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget of the Senate may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or direct nonhighway spending reductions.

(2) REVENUE INCREASES OR DIRECT SPENDING REDUCTIONS.—After the submission of such revisions, the Chairman of the Committee on the Budget of the Senate shall also submit the amount of revenue increases or non-mass transit direct spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (d).

(d) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—After the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that makes available funds for mass transit, the Chairman of the Committee on the Budget of the Senate shall submit increased outlay allocations, aggregates, and discretionary limits for the amount of outlays flowing from the additional obligational authority provided in such bill.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations of the Senate may submit appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(e) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (c) shall not be made—

(A) with respect to non-mass transit direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under sections 302(a) and 602(a) of the Budget Act in this resolution (not including the non-mass transit direct spending reductions envisioned in subsection (c)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (c)).

(2) OUTLAYS.—The outlay adjustments made pursuant to subsection (d) shall not exceed the amounts specified in subsection (c)(2) for a fiscal year.

SEC. 209. HIGHWAY RESERVE FUND IN THE SENATE FOR FISCAL YEARS 1998–2002.

(a) IN GENERAL.—In the Senate, if legislation generates revenue increases or direct spending reductions to finance highways and to the extent that such increases or reductions are not included in this concurrent resolution on the budget, the appropriate budgetary levels and limits may be adjusted if such adjustments do not cause an increase in the deficit in this resolution.

(b) ADJUSTMENTS FOR BUDGET AUTHORITY.—After the reporting of legislation (the offering of an amendment thereto or conference report thereon) that reduces nonhighway direct spending or increases revenues for a fiscal year or years, the Chairman of the Committee on the Budget of the Senate may submit appropriately revised allocations and aggregates by an amount that equals the amount such legislation reduces direct spending or increases revenues for a fiscal year or years.

(c) ESTABLISHING A RESERVE.—

(1) REVISIONS.—After the enactment of legislation described in subsection (a), the Chairman of the Committee on the Budget of the Senate may submit revisions to the appropriate allocations and aggregates by the amount that provisions in such legislation generates revenue increases or non-highway direct spending reductions.

(2) REVENUE INCREASES OR DIRECT SPENDING REDUCTIONS.—Upon the submission of such revisions, the Chairman of the Committee on the Budget of the Senate shall also submit the amount of revenue increases or direct nonhighway spending reductions such legislation generates and the maximum amount available each year for adjustments pursuant to subsection (d).

(d) ADJUSTMENTS FOR DISCRETIONARY SPENDING.—

(1) REVISIONS TO ALLOCATIONS AND AGGREGATES.—After the reporting of an appropriations measure, or after a conference committee submits a conference report thereon, that makes available funds for highways, the Chairman of the Committee on the Budget of the Senate shall submit increased outlay allocations, aggregates, and discretionary limits for the amount of outlays flowing from the additional obligational authority provided in such measure.

(2) REVISIONS TO SUBALLOCATIONS.—The Committee on Appropriations of the Senate may submit appropriately revised

suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974.

(e) LIMITATIONS.—

(1) IN GENERAL.—The revisions made pursuant to subsection (c) shall not be made—

(A) with respect to nonhighway direct spending reductions, unless the committee that generates the direct spending reductions is within its allocations under section 302(a) and 602(a) of the Budget Act in this resolution (not including the nonhighway direct spending reductions envisioned in subsection (c)); and

(B) with respect to revenue increases, unless revenues are at or above the revenue aggregates in this resolution (not including the revenue increases envisioned in subsection (c)).

(2) OUTLAYS.—The outlay adjustments made pursuant to subsection (d) shall not exceed the amounts specified in subsection (c)(2) for a fiscal year.

SEC. 210. DEFICIT-NEUTRAL RESERVE FUND IN THE HOUSE FOR SURFACE TRANSPORTATION.

(a) PURPOSE.—In the House, the purpose of this section is to adjust the appropriate budgetary levels to accommodate legislation increasing spending from the highway trust fund on surface transportation and highway safety above the levels assumed in this resolution if such legislation is deficit neutral.

(b) DEFICIT NEUTRALITY REQUIREMENT.—(1) In order to receive the adjustments specified in subsection (c), a bill reported by the Committee on Transportation and Infrastructure of the House that provides new budget authority above the levels assumed in this resolution for programs authorized out of the highway trust fund must be deficit neutral.

(2) A deficit-neutral bill must meet the following conditions:

(A) The amount of new budget authority provided for programs authorized out of the highway trust fund must be in excess of $25.949 billion in new budget authority for fiscal year 1998, $25.464 billion in new budget authority for fiscal year 2002, and $127.973 billion in new budget authority for the period of fiscal years 1998 through 2002.

(B) The outlays estimated to flow from the excess new budget authority set forth in subparagraph (A) must be offset for fiscal year 1998, fiscal year 2002, and for the period of fiscal years 1998 through 2002. For the sole purpose of estimating the amount of outlays flowing from excess new budget authority under this section, it shall be assumed that such excess new budget authority would have an obligation limitation sufficient to accommodate that new budget authority.

(C) The outlays estimated to flow from the excess new budget authority must be offset by (i) other direct spending or revenue provisions within that transportation bill, (ii) the net reduction in other direct spending and revenue legislation (for purposes of such offset) that is enacted during this Congress after the date of adoption of this resolution and before such transportation bill is reported (in excess of the levels assumed in this

resolution), or (iii) a combination of the offsets specified in clauses (i) and (ii).

(D) As used in this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) REVISED LEVELS.—(1) After the Committee on Transportation and Infrastructure of the House reports a bill (or after the submission of a conference report thereon) meeting the conditions set forth in subsection (b)(2), the chairman of the Committee on the Budget of the House shall increase the allocation of new budget authority to that committee by the amount of new budget authority provided in that bill (and that is above the levels set forth in subsection (b)(2)(A)) for programs authorized out of the highway trust fund.

(2) After the enactment of the transportation bill described in paragraph (1) and after the reporting of a general, supplemental, or continuing resolution making appropriations by the Committee on Appropriations of the House (or after the submission of a conference report thereon) establishing an obligation limitation above the levels specified in subsection (b)(2)(A) (at a level sufficient to obligate some or all of the budget authority specified in paragraph (1)), the chairman of the Committee on the Budget of the House shall increase the allocation and aggregate levels of outlays to that committee for the appropriate fiscal years.

(d) OFFSETTING ADJUSTMENTS.—Upon the enactment of legislation providing offsets pursuant to subsection (c), the chairman of the Committee on the Budget shall make offsetting adjustments in the appropriate allocations and aggregates.

(e) DEFINITION.—As used in this section, the term "highway trust fund" refers to the following budget accounts (or any successor accounts):

(1) 69–8083–0–7–401 (Federal-Aid Highways).

(2) 69–8191–0–7–401 (Mass Transit Capital Fund).

(3) 69–8350–0–7–401 (Mass Transit Formula Grants).

(4) 69–8016–0–7–401 (National Highway Traffic Safety Administration-Operations and Research).

(5) 69–8020–0–7–401 (Highway Traffic Safety Grants).

(6) 69–8048–0–7–401 (National Motor Carrier Safety Program).

SEC. 211. SALE OF GOVERNMENT ASSETS.

(a) LIMITATION.—Subsections (b) through (d) of this section shall not apply to the sale of any asset resulting from the enactment of any reconciliation bill referred to in section 104 or 105 of this resolution.

(b) BUDGETARY TREATMENT.—

(1) IN GENERAL.—For the purpose of this concurrent resolution on the budget and the Congressional Budget Act of 1974, no amounts realized from the sale of an asset shall be scored with respect to the level of budget authority, outlays, or revenues if such sale would cause an increase in the deficit as calculated pursuant to paragraph (2).

(2) CALCULATION OF NET PRESENT VALUE.—The deficit estimate of an asset sale shall be the net present value of the cash flow from—

(A) proceeds from the asset sale;

(B) future receipts that would be expected from continued ownership of the asset by the Government; and

(C) expected future spending by the Government at a level necessary to continue to operate and maintain the asset to generate the receipts estimated pursuant to subparagraph (B).

(c) DEFINITION.—For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) TREATMENT OF LOAN ASSETS.—For the purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

(e) INTENT.—The asset sale rule may be revisited when the Budget Enforcement Act of 1990 is extended.

SEC. 212. DETERMINATIONS OF BUDGETARY LEVELS; REVERSALS.

(a) DETERMINATIONS.—For purposes of this title, budgetary levels shall be determined on the basis of estimates made by the Committee on the Budget.

(b) REVERSALS AND ADJUSTMENTS.—(1) In the House of Representatives, if any legislation referred to in this title is not enacted into law, then the chairman of the Committee on the Budget shall, as soon as practicable, reverse adjustments made under this title for such legislation and have such adjustments published in the Congressional Record.

(2) In the Senate, the adjustments and revisions to allocations, aggregates, and limits made by the Chairman of the Committee on the Budget pursuant to this title for legislation shall only apply while such legislation is under consideration in the Senate and shall only permanently take effect upon the enactment of such legislation.

(c) EFFECT OF REVISIONS.—Any revisions made by the chairman of the Committee on the Budget under this title, and in the Senate, under section 104(d), shall be considered for purposes of the Congressional Budget Act of 1974 as the allocations and aggregates, and in the Senate, the discretionary spending limits, contained in this resolution, and the chairman shall have such revisions published in the Congressional Record.

SEC. 213. EXERCISE OF RULEMAKING POWERS.

The Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

TITLE III—SENSE OF CONGRESS, HOUSE, AND SENATE PROVISIONS

Subtitle A—Sense of the Congress

SEC. 301. SENSE OF THE CONGRESS ON REPAYMENT OF THE FEDERAL DEBT.

(a) FINDINGS.—The Congress finds the following:

(1) The Congress and the President have a basic moral and ethical responsibility to future generations to repay the Federal debt, including the money borrowed from the Social Security Trust Fund.

(2) The Congress and the President should enact a law which creates a regimen for paying off the Federal debt within 30 years.

(3) If spending growth were held to a level one percentage point lower than projected growth in revenues, then the Federal debt could be repaid within 30 years.

(b) SENSE OF THE CONGRESS REGARDING PRESIDENT'S SUBMISSION TO CONGRESS.—It is the sense of the Congress that—

(1) the President's annual budget submission to Congress should include a plan for repayment of Federal debt beyond the year 2002, including the money borrowed from the Social Security Trust Fund; and

(2) the plan should specifically explain how the President working with Congress would cap spending growth at a level one percentage point lower than projected growth in revenues.

SEC. 302. SENSE OF THE CONGRESS ON TAX CUTS.

It is the sense of the Congress that this resolution assumes that—

(1) a substantial majority of the tax cut benefits provided in the tax reconciliation bill will go to middle class working families earning less than approximately $100,000 per year; and

(2) the tax cuts in the tax reconciliation bill will not cause revenue losses to increase significantly in years after 2007.

SEC. 303. SENSE OF CONGRESS THAT THE 10-YEAR REVENUE LOSS FROM THE TAX RELIEF PACKAGE SHALL NOT EXCEED $250,000,000,000.

(a) FINDINGS.—Congress finds that—

(1) a May 15, 1997 letter from the Speaker of the House of Representatives and the Majority Leader of the Senate to the President of the United States, representing the agreement on the tax package in the Bipartisan Budget Agreements, states that, "It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007.";

(2) a May 15, 1997 letter from the Speaker of the House of Representatives and the Majority Leader of the Senate to the Chief of Staff to the President, contained in the same Bipartisan Budget Agreement and referring to the tax package, states that "The proposal shall not cause costs to explode in the outyears."; and

(3) the text of the Bipartisan Budget Agreement issued on May 15, 1997 states that "If bills, resolutions or conference reports are deemed to be inconsistent, remedial efforts shall be made by all parties to assure consistency. Such efforts shall include bipartisan Leadership consultation and concurrence on amendments and scheduling as necessary.".

(b) SENSE OF CONGRESS.—

(1) 10-YEAR COST.—The 10-year cost of the tax reconciliation bill resulting from this resolution shall not exceed $250,000,000,000 and any revenue loss shall be certified by the Joint Committee on Taxation in consultation and cooperation with the Office of Tax Analysis of the Department of Treasury.

(2) 5-YEAR COST.—The 5-year cost of the tax reconciliation bill resulting from this resolution shall be $85,000,000,000 and any revenue loss shall be certified by the Joint Committee on Taxation in consultation and cooperation with the Office of Tax Analysis of the Department of Treasury.

Subtitle B—Sense of the House

SEC. 306. SENSE OF THE HOUSE ON COMMISSION ON LONG-TERM BUDGETARY PROBLEMS.

(a) FINDINGS.—The House finds that—

(1) achieving a balanced budget by fiscal year 2002 is only the first step necessary to restore our Nation's economic prosperity;

(2) the imminent retirement of the baby-boom generation will greatly increase the demand for government services;

(3) this burden will be borne by a relatively smaller work force resulting in an unprecedented intergenerational transfer of financial resources;

(4) the rising demand for retirement and medical benefits will quickly jeopardize the solvency of the medicare, social security, and Federal retirement trust funds; and

(5) the Congressional Budget Office has estimated that marginal tax rates would have to increase by 50 percent over the next 5 years to cover the long-term projected costs of retirement and health benefits.

(b) SENSE OF THE HOUSE.—It is the sense of the House that legislation should be enacted to create a commission to assess long-term budgetary problems, their implications for both the baby-boom generation and tomorrow's workforce, and make such recommendations as it deems appropriate to ensure our Nation's future prosperity.

SEC. 307. SENSE OF THE HOUSE ON CORPORATE WELFARE.

(a) FINDINGS.—The House finds that the functional levels and aggregates in this budget resolution assume that—

(1) the Federal Government supports profit-making enterprises and industries through billions of dollars in payments, benefits, and programs;

(2) many of these subsidies do not serve a clear and compelling public interest;

(3) corporate subsidies frequently provide unfair competitive advantages to certain industries and industry segments; and

(4) at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden.

(b) SENSE OF THE HOUSE.—It is the sense of the House that legislation should be enacted to—

(1) eliminate the most egregious corporate subsidies; and

(2) create a commission to recommend the elimination of Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, and include a fast-track process for the consideration of those recommendations.

SEC. 308. SENSE OF THE HOUSE ON BASELINES.

(a) FINDINGS.—The House finds that—

(1) baselines are projections of future spending if existing policies remain unchanged;

(2) under baseline assumptions, spending automatically rises with inflation even if such increases are not mandated under existing law;

(3) baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are portrayed as spending reductions from an increasing baseline; and

(4) the baseline concept has encouraged Congress to abdicate its constitutional obligation to control the public purse for those programs which are automatically funded.

(b) SENSE OF HOUSE.—It is the sense of the House that baseline budgeting should be replaced with a budgetary model that requires justification of aggregate funding levels and maximizes congressional and executive accountability for Federal spending.

SEC. 309. SENSE OF THE HOUSE ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—The House finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and wel-

fare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over half of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the House Committee on the Budget unanimously passed a sense of Congress amendment on domestic violence and Federal assistance to the fiscal year 1997 budget resolution. Subsequently, Congress passed the family violence option amendment to last year's welfare reform reconciliation bill.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers to individuals receiving assistance for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individuals granted a domestic violence good cause waiver by States should not be included in the States' 20 percent hardship exemption.

Subtitle B—Sense of the Senate

SEC. 311. SENSE OF THE SENATE ON LONG TERM ENTITLEMENT REFORMS, INCLUDING ACCURACY IN DETERMINING CHANGES IN THE COST OF LIVING.

(a) FINDINGS.—

(1) ENTITLEMENT REFORMS.—The Senate finds that with respect to long term entitlement reforms—

(A) entitlement spending continues to grow dramatically as a percent of total Federal spending, rising from

fifty-six percent of the budget in 1987 to an estimated seventy-three percent of the budget in 2007;

(B) this growth in mandatory spending poses a long-term threat to the United States economy because it crowds out spending for investments in education, infrastructure, defense, law enforcement and other programs that enhance economic growth;

(C) in 1994, the Bipartisan Commission on Entitlement and Tax Reform concluded that if no changes are made to current entitlement laws, all Federal revenues will be spent on entitlement programs and interest on the debt by the year 2012;

(D) the Congressional Budget Office has also recently issued a report that found that pressure on the budget from demographics and rising health care costs will increase dramatically after 2002; and

(E) making significant entitlement changes will significantly benefit the economy, and will forestall the need for more drastic tax and spending decisions in future years.

(2) CPI.—The Senate finds that with respect to accuracy in determining changes in the cost of living—

(A) the Final Report of the Senate Finance Committee's Advisory Commission to study the CPI has concluded that the Consumer Price Index overstates the cost of living in the United States by 1.1 percentage points;

(B) the overstatement of the cost of living by the Consumer Price Index has been recognized by economists since at least 1961, when a report noting the existence of the overstatement was issued by a National Bureau of Economic Research Committee, chaired by Professor George J. Stigler;

(C) Congress and the President, through the indexing of Federal tax brackets, social security benefits, and other Federal program benefits, have undertaken to protect taxpayers and beneficiaries of such programs from the erosion of purchasing power due to inflation; and

(D) the overstatement of the cost of living increases the deficit and undermines the equitable administration of Federal benefits and tax policies.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions in this resolution assume that—

(1) Congress and the President should continue working to enact structural entitlement reforms in the 1997 budget agreement and in subsequent legislation;

(2) Congress and the President must find the most accurate measure of the change in the cost of living in the United States, and should work in a bipartisan manner to implement any changes that are necessary to achieve an accurate measure; and

(3) Congress and the President must work to ensure that the 1997 budget agreement not only keeps the unified budget in balance after 2002, but that additional measures should be taken to begin to achieve substantial surpluses which will improve the economy and allow our nation to be ready for the retirement of the baby boom generation in the year 2012.

SEC. 312. SENSE OF THE SENATE ON TACTICAL FIGHTER AIRCRAFT PROGRAMS.

(a) FINDINGS.—The Senate finds that—

(1) the Department of Defense has proposed to modernize the United States tactical fighter aircraft force through three tactical fighter procurement programs, including the F/A–18 E/F aircraft program of the Navy, the F–22 aircraft program of the Air Force, and the Joint Strike Fighter aircraft program for the Navy, Air Force, and Marine Corps;

(2) the General Accounting Office, the Congressional Budget Office, the Chairman of the Joint Chiefs of Staff, the Under Secretary of Defense for Acquisition and Technology, and several Members of Congress have publicly stated that, given the current Department of Defense budget for procurement, the Department of Defense's original plan to buy over 4,400 F/A–18 E/F aircraft, F–22 aircraft, and Joint Strike Fighter aircraft at a total program cost in excess of $350,000,000,000 was not affordable;

(3) the F/A–18 E/F, F–22, and the Joint Strike Fighter tactical fighter programs will be competing for a limited amount of procurement funding with numerous other aircraft acquisition programs, including the Comanche helicopter program, the V–22 Osprey aircraft program, and the C–17 aircraft program, as well as for the necessary replacement of other aging aircraft such as the KC–135, the C–5A, the F–117, and the EA–6B aircraft; and

(4) the 1997 Department of Defense Quadrennial Defense Review has recommended reducing the F/A–18 E/F program buy from 1,000 aircraft to 548, and reducing the F–22 program buy from 438 to 339.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that, within 30 days, the Department of Defense should transmit to Congress detailed information pertaining to the implementation of this revised acquisition strategy so that the Congress can adequately evaluate the extent to which the revised acquisition strategy is tenable and affordable given the projected spending levels contained in this budget resolution.

SEC. 313. SENSE OF THE SENATE REGARDING CHILDREN'S HEALTH COVERAGE.

(a) FINDINGS.—The Senate finds that—

(1) of the estimated 10 million uninsured children in the United States, over 1.3 million have at least one parent who is self-employed and all other uninsured children are dependents of persons who are employed by another, or unemployed;

(2) these 1.3 million uninsured kids comprise approximately 22 percent of all children with self-employed parents, and they are a significant 13 percent of all uninsured children;

(3) the remaining uninsured children are in families where neither parent is self-employed and comprise 13 percent of all children in families where neither parent is self-employed;

(4) children in families with a self-employed parent are therefore more likely to be uninsured than children in families where neither parent is self-employed; and

(5) the current disparity in the tax law reduces the affordability of health insurance for the self-employed and their families, hindering the ability of children to receive essential primary and preventive care services.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that from resources available in this budget resolution, a portion should be set aside for an immediate 100 percent deductibility of health insurance costs for the self-employed. Full-deductibility of health expenses for the self-employed would make health insurance more attractive and affordable, resulting in more dependents being covered. The government should not encourage parents to forgo private insurance for a government-run program.

SEC. 314. SENSE OF THE SENATE ON A MEDICAID PER CAPITA CAP.

It is the sense of the Senate that in order to meet deficit reduction targets in this resolution with respect to medicaid—

(1) the per capita cap will not be used as a method for meeting spending targets; and

(2) the per capita cap could represent a significant structural change that might jeopardize the quality of care for children, the disabled, and senior citizens.

SEC. 315. SENSE OF THE SENATE THAT ADDED SAVINGS GO TO DEFICIT REDUCTION.

(a) FINDINGS.—The Congress finds that—

(1) balancing the budget will bring numerous economic benefits for the United States economy and American workers and families, including improved economic growth and lower interest rates;

(2) the fiscal year 1998 budget resolution crafted pursuant to an agreement reached between the Congress and the Administration purports to achieve balance in the year 2002;

(3) the deficit estimates contained in this resolution may not conform to the actual deficits in subsequent years, which make it imperative that any additional savings are realized be devoted to deficit reduction;

(4) the Senate's "pay-as-you-go" point of order prohibits crediting savings from updated economic or technical data as an offset for legislation that increases the deficit, and ensures these savings are devoted to deficit reduction; and

(5) Congress and the Administration must ensure that the deficit levels contained in this budget are met and, if actual deficits prove to be lower than projected, the additional savings are used to balance the budget on or before the year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) legislation enacted pursuant to this resolution must ensure that the goal of a balanced budget is achieved on or before fiscal year 2002; and

(2) if the actual deficit is lower than the projected deficit in any upcoming fiscal year, the added savings should be devoted to further deficit reduction.

SEC. 316. SENSE OF THE SENATE ON FAIRNESS IN MEDICARE.

(a) FINDINGS.—The Congress finds that—

(1) the Trustees of the Medicare Trust Funds recently announced that medicare's Hospital Insurance (HI) Trust Fund is headed for bankruptcy in 2001, and in 1997, HI will run a deficit of $26,000,000,000 and add $56,000,000,000 annually to the Federal deficit by 2001;

(2) the Trustees also project that Supplementary Medical Insurance (SMI), will grow twice as fast as the economy and the taxpayers' subsidy to keep the SMI from bankruptcy will grow from $58,000,000,000 to $89,000,000,000 annually from 1997 through 2001;

(3) the Congressional Budget Office reports that when the baby-boom generation begins to receive social security benefits and is eligible for medicare in 2008, the Federal budget will face intense pressure, resulting in mounting deficits and erosion of future economic growth;

(4) long-term solutions to address the financial and demographic problems of medicare are urgently needed to preserve and protect the medicare trust funds;

(5) these solutions to address the financial and demographic problems of medicare are urgently needed to preserve and protect the medicare trust funds;

(6) reform of the medicare program should ensure equity and fairness for all medicare beneficiaries, and offer beneficiaries more choice of private health plans, to promote efficiency and enhance the quality of health care;

(7) all Americans pay the same payroll tax of 2.9 percent to the medicare trust funds, and they deserve the same choices and services regardless of where they retire;

(8) however, under the currently adjusted-average-per-capita cost (AAPCC), some counties receive 2.5 times more in medicare reimbursements than others;

(9) this inequity in medicare reimbursement jeopardizes the quality of medicare services of rural beneficiaries and penalizes the most efficient and effective medicare service providers;

(10) in some states, the result has been the absence of health care choices beyond traditional, fee-for-service medicine for medicare beneficiaries, which in other counties and states plan providers may be significantly over-compensated, adding to medicare's fiscal instability; and

(11) ending the practice of basing payments to risk contract plans on local fee-for-service medical costs will help correct these inequities, mitigate unnecessary cost in the program, and begin the serious, long-term restructuring of medicare.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the Finance Committee should strongly consider the following elements for medicare reform—

(1) any medicare reform package should include measures to address the inequity in medicare reimbursement to risk contract plans;

(2) medicare should use a national update framework rather than local fee-for-service spending increases to determine the annual changes in risk plan payment rates;

(3) an adequate minimum payment rate should be provided for health plans participating in medicare risk contract programs;

(4) the geographic variation in medicare payment rates must be reduced over time to raise the lower payment areas closer to the average while taking into account actual differences in input costs that exist from region to regional;

(5) medicare managers in consultation with plan providers and patient advocates should pursue competitive bidding programs in communities where data indicate risk contract payments are substantially excessive and when plan choices would not diminish by such a bidding process; and

(6) medicare should phase in the use of risk adjusters which take account of health status so as to address overpayment to some plans.

SEC. 317. SENSE OF THE SENATE REGARDING ASSISTANCE TO LITHUANIA AND LATVIA.

(a) FINDINGS.—The Senate finds that—

(1) Lithuania and Latvia reestablished democracy and free market economies when they regained their freedom from the Soviet Union;

(2) Lithuania and Latvia, which have made significant progress since regaining their freedom, are still struggling to recover from the devastation of 50 years of communist domination;

(3) the United States, which never recognized the illegal incorporation of Lithuania and Latvia into the Soviet Union, has provided assistance to strengthen democratic institutions and free market reforms in Lithuania and Latvia since 1991;

(4) the people of the United States enjoy close and friendly relations with the people of Lithuania and Latvia;

(5) the success of democracy and free market reform in Lithuania and Latvia is important to the security and economic progress of the United States; and

(6) the United States as well as Lithuania and Latvia would benefit from the continuation of assistance which helps Lithuania and Latvia to implement commercial and trade law reform, sustain private sector development, and establish well-trained judiciaries.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) adequate assistance should be provided to Lithuania and Latvia in fiscal year 1998 to continue the progress they have made; and

(2) assistance to Lithuania and Latvia should be continued beyond fiscal year 1998 as they continue to build democratic and free market institutions.

SEC. 318. SENSE OF THE SENATE REGARDING A NATIONAL COMMISSION ON HIGHER EDUCATION.

It is the sense of the Senate that the provisions of this resolution assure that a national commission should be established to study and make specific recommendations regarding the extent to which increases in student financial aid, and the extent to which Federal, *State, and local laws and regulations, contribute to increases in college and university tuition.*

SEC. 319. SENSE OF THE SENATE ON LOCKBOX.

It is the Sense of the Senate that the provisions of this resolution assume that to ensure all savings from medicare reform are used to keep the medicare program solvent, the Treasury Secretary should credit the Medicare Hospital Insurance Trust Fund (Part A) with government securities equal to any savings from Medicare Supplemental Medical Insurance (Part B) reforms enacted pursuant to the reconciliation instructions contained in this budget resolution.

SEC. 320. SENSE OF THE SENATE ON THE EARNED INCOME CREDIT.

(a) FINDINGS.—The Senate finds that—

(1) an April 1997 study by the Internal Revenue Service of Earned Income Credit (EIC) filers for tax year 1994 revealed that over $4,000,000,000 of the $17,000,000,000 spent on the EIC for that year was erroneously claimed and paid by the IRS, resulting in a fraud and error rate of 25.8 percent;

(2) the IRS study further concluded that EIC reforms enacted by the One Hundred Fourth Congress will only lower the fraud error rate to 20.7 percent, meaning over $23,000,000,000 will be wasted over the next five years; and

(3) the President's recent proposals to combat EIC fraud and error contained within this budget resolution are estimated to save $124,000,000 in scoreable savings over the next five years and additional savings from deterrent effects.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the President should propose and Congress should enact additional programmatic changes sufficient to ensure that the primary purpose of the EIC to encourage work over welfare is achieved without wasting billions of taxpayer dollars on fraud and error.

SEC. 321. SENSE OF THE SENATE SUPPORTING LONG-TERM ENTITLEMENT REFORMS.

(a) FINDINGS.—The Senate finds that this resolution assumes that—

(1) entitlement spending has risen dramatically over the last thirty-five years;

(2) in 1963, mandatory spending (i.e., entitlement spending and interest on the debt) made up 29.6 percent of the budget, this figure rose to 61.4 percent by 1993 and is expected to reach 70 percent shortly after the year 2000;

(3) this mandatory spending is crowding out spending for the traditional "discretionary" functions of Government like clean air and water, a strong national defense, parks and recreation, education, our transportation system, law enforcement, research and development and other infrastructure spending; and

(4) taking significant steps sooner rather than later to reform entitlement spending will not only boost economic growth in this country, it will also prevent the need for drastic tax and spending decisions in the next century.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the levels in this budget resolution assume that Congress and the

President should work to enact structural reforms in entitlement spending in 1997 and beyond which sufficiently restrain the growth of mandatory spending in order to keep the budget in balance over the long term, extend the solvency of the Social Security and Medicare Trust Funds, avoid crowding out funding for basic Government functions and that every effort should be made to hold mandatory spending to no more than 70 percent of the budget.

SEC. 322. SENSE OF THE SENATE ON DISASTER ASSISTANCE FUNDING.

(a) FINDINGS.—The Senate finds that—

(1) emergency spending adds to the deficit and total spending;

(2) the Budget Enforcement Act of 1990 exempts emergency spending from the discretionary spending caps and pay-go requirements;

(3) the Budget Enforcement Act of 1990 expires in 1998 and needs to be extended;

(4) since the enactment of the Budget Enforcement Act, Congress and the President have approved an average of $5,800,000,000 per year in emergency spending; and

(5) a natural disaster in any particular State is unpredictable, by the United States is likely to experience a natural disaster almost every year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals underlying this concurrent resolution on the budget assume that the Congress should consider in the extension of the Budget Enforcement Act and in appropriations Acts—

(1) provisions that budget for emergencies or that require emergency spending to be offset;

(2) provisions that provide flexibility to meet emergency funding requirements associated with natural disasters;

(3) Congress and the President should consider appropriating at least $5,000,000,000 every year to provide for natural disaster relief; and

(4) Congress and the President should not designate any emergency spending for natural disaster relief until such amounts provided in regular appropriations are exhausted.

SEC. 323. SENSE OF THE SENATE ON ENFORCEMENT OF BIPARTISAN BUDGET AGREEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the bipartisan budget agreement is contingent upon—

(A) favorable economic conditions for the next 5 years;

(B) accurate estimates of the fiscal impacts of assumptions in this resolution; and

(C) enactment of legislation to reduce the deficit; and

(2) if any of the conditions in paragraph (1) are not met, our ability to achieve a balanced budget by 2002 will be jeopardized.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and limits in this resolution assume that—

(1) reconciliation legislation should include legislation to enforce the targets set forth in the bipartisan budget agreement and to ensure the balanced budget goal is met; and

(2) such legislation shall—

(A) establish procedures to ensure the agreement is enforced in every year;

(B) require that the President's annual budget and annual Congressional concurrent resolutions on the budget comply the agreement in every year;

(C) consider provisions which provide that if the deficit is below or the surplus is above the deficits projected in the agreement in any year, such savings are locked in for deficit and debt reduction; and

(D) consider provisions which budget for and control emergency spending in order to prevent the use of emergencies to evade the budget agreement.

SEC. 324. SENSE OF THE SENATE REGARDING THE NATIONAL INSTITUTES OF HEALTH.

(a) FINDINGS.—Congress finds that—

(1) heart disease was the leading cause of death for both men and women in every year from 1970 to 1993;

(2) mortality rates for individuals suffering from prostate cancer, skin cancer, and kidney cancer continue to rise;

(3) the mortality rate for African American women suffering from diabetes is 134 percent higher than the mortality rate of Caucasian women suffering from diabetes;

(4) asthma rates for children increased 58 percent from 1982 to 1992;

(5) nearly half of all American women between the ages of 65 and 75 reported having arthritis;

(6) AIDS is the leading cause of death for Americans between the ages of 24 and 44;

(7) the Institute of Medicine has described United States clinical research to be "in a state of crisis" and the National Academy of Sciences concluded in 1994 that "the present cohort of clinical investigators is not adequate";

(8) biomedical research has been shown to be effective in saving lives and reducing health care expenditures;

(9) research sponsored by the National Institutes of Health has contributed significantly to the first overall reduction in cancer death rates since record keeping was instituted;

(10) research sponsored by the National Institutes of Health has resulted in the identification of genetic mutations for osteoporosis; Lou Gehrig's Disease, cystic fibrosis, and Huntington's Disease; breast, skin and prostate cancer; and a variety of other illnesses;

(11) research sponsored by the National Institutes of Health has been key to the development of Magnetic Resonance Imaging (MRI) and Positron Emission Tomography (PET) scanning technologies;

(12) research sponsored by the National Institutes of Health has developed effective treatments for Acute Lymphoblastic Leukemia (ALL). Today, 80 percent of children diagnosed with Acute Lymphoblastic Leukemia are alive and free of the disease after 5 years; and

(13) research sponsored by the National Institutes of Health contributed to the development of a new, cost-saving cure for peptic ulcers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that this Resolution assumes that—

(1) appropriations for the National Institutes of Health should be increased by 100 percent over the next 5 fiscal years; and

(2) appropriations for the National Institutes of Health should be increased by $2,000,000,000 in fiscal year 1998 over the amount appropriated in fiscal year 1997.

SEC. 325. SENSE OF THE SENATE REGARDING CERTAIN ELDERLY LEGAL ALIENS.

It is the sense of the Senate that the provisions of this resolution assume that—

(1) the Committee on Finance will include in its recommendations to the Committee on the Budget of the Senate changes in laws within the jurisdiction of the Committee on Finance that allow certain elderly, legal immigrants who will cease to receive benefits under the supplemental security income program as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) to continue to receive benefits during a redetermination or reapplication period to determine if such aliens would qualify for such benefits on the basis of being disabled; and

(2) the Committee on Finance in developing these recommendations should offset the additional cost of this proposal out of other programs within the jurisdiction of the Committee on Finance.

SEC. 326. SENSE OF THE SENATE REGARDING RETROACTIVE TAXES.

(a) FINDINGS.—The Senate finds that—

(1) in general, the practice of increasing a tax retroactively is fundamentally unfair to taxpayers; and

(2) retroactive taxation is disruptive to families and small business in their ability to plan and budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this budget resolution assume that—

(1) except for closing tax loopholes, no revenues should be generated from any retroactively increased tax; and

(2) the Congress and the President should work together to ensure that any revenue generating proposal contained within reconciliation legislation pursuant to this concurrent resolution proposal, except those proposals closing tax loopholes, should take effect prospectively.

SEC. 327. SENSE OF THE SENATE ON SOCIAL SECURITY AND BALANCING THE BUDGET.

(a) FINDINGS.—The Senate finds that—

(1) this budget resolution is projected to balance the unified budget of the United States in fiscal year 2002;

(2) section 13301 of the Budget Enforcement Act of 1990 requires that the deficit be computed without counting the annual surpluses of the Social Security Trust Funds; and

(3) if the deficit were calculated according to the requirements of section 13301, this budget resolution would be pro-

jected to result in a deficit of $108,700,000,000 in fiscal year 2002.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying this budget resolution assume that after balancing the unified Federal budget, the Congress should continue efforts to reduce the on-budget deficit, so that the Federal budget will be balanced without counting social security surpluses.

SEC. 328. SENSE OF THE SENATE SUPPORTING SUFFICIENT FUNDING FOR VETERANS PROGRAMS AND BENEFITS.

(a) FINDINGS.—The Senate finds that—

(1) veterans and their families represent approximately 27 percent of the United States population;

(2) more than 20 million of our 26 million living veterans served during wartime, sacrificing their freedom so that we may have ours; and

(3) veterans have earned the benefits promised to them.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the assumptions underlying this Budget Resolution assume that the 602(b) allocation to the Department of Veterans Affairs will be sufficient in fiscal year 1998 to fully fund all discretionary veterans programs, including medical care; and

(2) funds collected from legislation to improve the Department of Veterans Affairs' ability to collect and retain reimbursement from third-party payers ought to be used to supplement, not supplant, an adequate appropriation for medical care.

SEC. 329. SENSE OF THE SENATE ON FAMILY VIOLENCE OPTION CLARIFYING AMENDMENT.

(a) FINDINGS.—The Senate finds the following:

(1) Domestic violence is the leading cause of physical injury to women. The Department of Justice estimates that over 1,000,000 violent crimes against women are committed by intimate partners annually.

(2) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that 1/4 of battered women surveyed had lost a job partly because of being abused and that over 1/2 of these women had been harassed by their abuser at work.

(3) Domestic violence is often intensified as women seek to gain economic independence through attending school or training programs. Batterers have been reported to prevent women from attending these programs or sabotage their efforts at self-improvement.

(4) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, Illinois, document, for the first time, the interrelationship between domestic violence and welfare by showing that from 34 percent to 65 percent of AFDC recipients are current or past victims of domestic violence.

(5) Over 1/2 of the women surveyed stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in poor women's ability to leave abusive situations that threaten them and their children.

(6) The restructuring of the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(7) In recognition of this finding, the Committee on the Budget of the Senate in considering the 1997 Resolution on the Budget of the United States unanimously adopted a sense of the Congress amendment concerning domestic violence and Federal assistance. Subsequently, Congress adopted the family violence option amendment as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(8) The family violence option gives States the flexibility to grant temporary waivers from time limits and work requirements for domestic violence victims who would suffer extreme hardship from the application of these provisions. These waivers were not intended to be included as part of the permanent 20 percent hardship exemption.

(9) The Department of Health and Human Services has been slow to issue regulations regarding this provision. As a result, States are hesitant to fully implement the family violence option fearing that it will interfere with the 20 percent hardship exemption.

(10) Currently 15 States have opted to include the family violence option in their welfare plans, and 13 other States have included some type of domestic violence provisions in their plans.

(b) SENSE OF SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) States should not be subject to any numerical limits in granting domestic violence good cause waivers under section 402(a)(7)(A)(iii) of the Social Security Act (42 U.S.C. 602(a)(7)(A)(iii)) to individuals receiving assistance, for all requirements where compliance with such requirements would make it more difficult for individuals receiving assistance to escape domestic violence; and

(2) any individual who is granted a domestic violence good cause waiver by a State shall not be included in the States' 20 percent hardship exemption under section 408(a)(7) of the Social Security Act (42 U.S.C. 608(a)(7)).

SEC. 330. SENSE OF THE SENATE REGARDING ASSISTANCE TO AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) Amtrak is in a financial crisis, with growing and substantial debt obligations approaching $2,000,000,000;

(2) Amtrak has not been authorized since 1994;

(3) the Senate Committee on Commerce, Science, and Transportation favorably reported legislation to reform Amtrak during the last two Congresses, but no legislation was enacted;

(4) the Finance Committee favorably reported legislation in the last Congress that created a dedicated trust fund for Amtrak, but no legislation was enacted;

(5) in 1997 Amtrak testified before the Congress that it cannot survive beyond 1998 without comprehensive legislative reforms and a dedicated source of capital funding; and

(6) Congress is obligated to invest Federal tax dollars responsibly and to reduce waste and inefficiency in Federal programs, including Amtrak.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that—

(1) legislative reform is urgently needed to address Amtrak's financial and operational problems;

(2) Congress should allocate additional Federal dollars to Amtrak in conjunction with reforms requested by Amtrak to address its precarious financial situation; and

(3) the distribution of money from any new fund to finance an intercity rail passenger fund should be implemented in conjunction with legislation to reauthorize and reform the National Rail Passenger Corporation.

SEC. 331. SENSE OF THE SENATE REGARDING THE PROTECTION OF CHILDREN'S HEALTH.

(a) FINDINGS.—The Senate makes the following findings:

(1) Today's children and the next generation of children are the prime beneficiaries of a balanced Federal budget. Without a balanced budget, today's children will bear the increasing burden of the Federal debt. Continued deficit spending would doom future generations to slower economic growth, higher taxes, and lower living standards.

(2) The health of children is essential to the future economic and social well-being of the Nation.

(3) The medicaid program provides health coverage for over 17,000,000 children, or 1 out of every 4 children.

(4) While children represent $\frac{1}{2}$ of all individuals eligible for medicaid, children account for less than 25 percent of expenditures under the medicaid program.

(5) Disproportionate share hospital (DSH) funding under the medicaid program has allowed States to provide health care services to thousands of uninsured pregnant women and children. DSH funding under the medicaid program is critical for these populations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that the health care needs of low-income pregnant women and children should be a top priority. Careful study must be made of the impact of medicaid disproportionate share hospital (DSH) reform proposals on children's health and on vital sources of care, including children's hospitals. Any restrictions on DSH funding under the medicaid program should not harm State medicaid coverage of children and pregnant women.

SEC. 332. SENSE OF THE SENATE ON DEPOSITING ALL FEDERAL GASOLINE TAXES INTO THE HIGHWAY TRUST FUND.

(a) FINDINGS.—The Senate makes the following findings:

(1) Since 1956, Federal gasoline excise tax revenues have generally been deposited in the Highway Trust Fund and reserved for transportation uses.

(2) In 1993, Congress and the President enacted the first permanent increase in the Federal gasoline excise tax which was dedicated to general revenues, not the Highway Trust Fund.

(3) Over the next five years, approximately $7,000,000,000 per year in Federal gasoline excise tax revenues will be deposited in the general fund of the Treasury, rather than the Highway Trust Fund.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions in this resolution assume that Congress should in the extension of the Budget Enforcement Act, ISTEA reauthorization, appropriations Acts, and in any revenue bills, consider dedicating all revenues from Federal gasoline excise taxes, including amounts dedicated to general revenues in 1993, to the Highway Trust Fund so that such taxes may be used for the purpose to which they have historically been dedicated, promoting transportation infrastructure and building roads.

SEC. 333. SENSE OF THE SENATE ON EARLY CHILDHOOD EDUCATION.

(a) FINDINGS.—The Senate finds the following:

(1) Scientific research on the development of the brain has confirmed that the early childhood years, particularly from birth to the age of 3, are critical to children's development.

(2) Studies repeatedly have shown that good quality child care helps children develop well, enter school ready to succeed, improve their skills, cognitive abilities and socioemotional development, improve classroom learning behavior, and stay safe while their parents work. Further, quality early childhood programs can positively affect children's long-term success in school achievement, higher earnings as adults, decrease reliance on public assistance and decrease involvement with the criminal justice system.

(3) The first of the National Education Goals, endorsed by the Nation's governors, passed by Congress and signed into law by President Bush, stated that by the year 2000, every child should enter school ready to learn and that access to a high quality early childhood education program was integral to meeting this goal.

(4) According to data compiled by the RAND Corporation, while 90 percent of human brain growth occurs by the age of 3, public spending on children in that age range equals only 8 percent of spending on all children. A vast majority of public spending on children occurs after the brain has gone through its most dramatic changes, often to correct problems that should have been addressed during early childhood development.

(5) According to the Department of Education, of $29,400,000,000 in current estimated education expenditures, only $1,500,000,000, or 5 percent, is spent on children from birth to age 5. The vast majority is spent on children over age 5.

(6) A new commitment to quality child care and early childhood education is a necessary response to the fact that children from birth to the age of 3 are spending more time in care away from their homes. Almost 60 percent of women in the workforce have children under the age of 3 requiring care.

(7) Many States and communities are currently experimenting with innovative programs directed at early childhood care and education in a variety of care settings, including the home. States and local communities are best able to deliver efficient,

cost-effective services, but while such programs are long on demand, they are short on resources. Additional Federal resources should not create new bureaucracy, but build on successful locally driven efforts.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the budget totals and levels in this resolution assume that funds ought to be directed toward increasing the supply of quality child care, early childhood education, and teacher and parent training for children from birth through age 3.

SEC. 334. SENSE OF THE SENATE CONCERNING HIGHWAY TRUST FUND.

(a) FINDINGS.—The Senate finds that—

(1) there is no direct linkage between the fuel taxes deposited in the Highway Trust Fund and the transportation spending from the Highway Trust Fund;

(2) the Federal budget process has severed this linkage by dividing revenues and spending into separate budget categories with—

(A) fuel taxes deposited in the Highway Trust Fund as revenues; and

(B) most spending from the Highway Trust Fund in the discretionary category;

(3) each budget category referred to in paragraph (2) has its own rules and procedures; and

(4) under budget rules in effect prior to the date of adoption of this resolution, an increase in fuel taxes permits increased spending to be included in the budget, but not for increased Highway Trust Fund spending.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) in this session of Congress, Congress should, within a unified budget, consider changing the Federal budget process to establish a linkage between the fuel taxes deposited in the Highway Trust Fund, including any fuel tax increases that may be enacted into law after the date of adoption of this resolution, and the spending from the Highway Trust Fund; and

(2) changes to the budgetary treatment of the Highway Trust Fund should not result in total program levels for highways or mass transit that is inconsistent with those assumed under the resolution.

SEC. 335. SENSE OF THE SENATE CONCERNING TAX INCENTIVES FOR THE COST OF POST–SECONDARY EDUCATION.

It is the sense of the Senate that the provisions of this resolution assume that any revenue reconciliation bill should include tax incentives for the cost of post-secondary education, including expenses of workforce education and training at vocational schools and community colleges.

SEC. 336. SENSE OF THE SENATE ON ADDITIONAL TAX CUTS.

It is the sense of the Senate that nothing in this resolution shall be construed as prohibiting Congress in future years from providing additional tax relief if the cost of such tax relief is offset by reductions in spending or increases in revenue from alternative sources.

SEC. 337. SENSE OF THE SENATE REGARDING TRUTH IN BUDGETING AND SPECTRUM AUCTIONS.

(a) FINDINGS.—The Senate finds that—

(1) the electromagnetic spectrum is the property of the American people and is managed on their behalf by the Federal Government;

(2) the spectrum is a highly valuable and limited natural resource;

(3) the auctioning of spectrum has raised billions of dollars for the Treasury;

(4) the estimates made regarding the value of spectrum in the past have proven unreliable, having previously understated and now overstating its worth; and

(5) because estimates of spectrum value depend on a number of technological, economic, market forces, and other variables that cannot be predicted or completely controlled, it is not possible to reliably estimate the value of a given segment of spectrum; therefore,

(b) SENSE OF THE SENATE.—It is the sense of the Senate that as auctions occur as assumed by this resolution, the Congress shall take such steps as necessary to reconcile the difference between actual revenues raised and estimates made and shall reduce spending and make other appropriate adjustments accordingly if such auctions raise less revenue than projected.

SEC. 338. SENSE OF THE SENATE ON HIGHWAY DEMONSTRATION PROJECTS.

(a) FINDINGS.—The Senate finds that—

(1) 10 demonstration projects totaling $362,000,000 were listed for special line-item funding in the Surface Transportation Assistance Act of 1982;

(2) 152 demonstration projects totaling $1,400,000,000 were named in the Surface Transportation and Uniform Relocation Assistance Act of 1987;

(3) 64 percent of the funding for the 152 projects had not been obligated after 5 years and State transportation officials determined the projects added little, if any, to meeting their transportation infrastructure priorities;

(4) 538 location specific projects totaling $6,230,000,000 were included in the Intermodal Surface Transportation Efficiency Act of 1991;

(5) more than $3,300,000,000 of the funds authorized for the 538 location-specific projects remained unobligated as of January 31, 1997;

(6) the General Accounting Office determined that 31 States plus the District of Columbia and Puerto Rico would have received more funding if the Intermodal Surface Transportation Efficiency Act location-specific project funds were redistributed as Federal-aid highway program apportionments;

(7) this type of project funding diverts Highway Trust Fund money away from State transportation priorities established under the formula allocation process and under the Intermodal Surface Transportation and Efficiency Act of 1991;

(8) on June 20, 1995, by a vote of 75 yeas to 21 nays, the Senate voted to prohibit the use of Federal Highway Trust Fund money for future demonstration projects;

(9) the Intermodal Surface Transportation and Efficiency Act of 1991 expires at the end of fiscal year 1997; and

(10) hundreds of funding requests for specific transportation projects in Congressional Districts have been submitted in the House of Representatives.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) notwithstanding different views on existing Highway Trust Fund distribution formulas, funding for demonstration projects or other similarly titled projects diverts Highway Trust Fund money away from State priorities and deprives States of the ability to adequately address their transportation needs;

(2) States are best able to determine the priorities for allocating Federal-Aid-To-Highway monies within their jurisdiction;

(3) Congress should not divert limited Highway Trust Fund resources away from State transportation priorities by authorizing new highway projects; and

(4) Congress should not authorize any new demonstration projects or other similarly-titled projects.

SEC. 339. SENSE OF THE SENATE REGARDING THE USE OF BUDGET SAVINGS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Poverty rates among the elderly are at the lowest level since our Nation began to keep poverty statistics, due in large part to the social security system and the medicare program.

(2) Twenty-two percent of every dollar spent by the Federal Government goes to the social security system.

(3) Eleven percent of every dollar spent by the Federal Government goes to the medicare program.

(4) Currently, spending on the elderly accounts for 1/3 of the Federal budget and more than 1/2 of all domestic spending other than interest on the national debt.

(5) Future generations of Americans must be guaranteed the same value from the social security system as past covered recipients.

(6) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(7) The accumulated balance in the Federal Hospital Insurance Trust Fund is estimated to fall to zero by 2001.

(8) While the Federal budget deficit has shrunk for the fourth straight year to $67,000,000,000 in 1997, measures need to be taken to ensure that trend continues.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens by ensuring the long-term future of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.); and

(3) to restore and maintain Federal budget discipline to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

SEC. 340. SENSE OF THE SENATE REGARDING THE VALUE OF THE SOCIAL SECURITY SYSTEM FOR FUTURE RETIREES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The social security system has allowed a generation of Americans to retire with dignity. Today, 13 percent of the population is 65 or older and by 2030, 20 percent of the population will be 65 or older. More than 1/2 of the elderly do not receive private pensions and more than 1/3 have no income from assets.

(2) For 60 percent of all senior citizens, social security benefits provide almost 80 percent of their retirement income. For 80 percent of all senior citizens, social security benefits provide over 50 percent of their retirement income.

(3) Poverty rates among the elderly are at the lowest level since the United States began to keep poverty statistics, due in large part to the social security system.

(4) Seventy-eight percent of Americans pay more in payroll taxes than they do in income taxes.

(5) According to the 1997 report of the Managing Trustee for the social security trust funds, the accumulated balance in the Federal Old-Age and Survivors Insurance Trust Fund is estimated to fall to zero by 2029, and the estimated payroll tax at that time will be sufficient to cover only 75 percent of the benefits owed to retirees at that time.

(6) The average American retiring in the year 2015 will pay $250,000 in payroll taxes over the course of his or her working career.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions of this resolution assume that no change in the social security system should be made that would reduce the value of the social security system for future generations of retirees.

SEC. 341. SENSE OF THE SENATE ON ECONOMIC GROWTH DIVIDEND PROTECTION.

(a) FINDINGS.—The Senate finds that with respect to the revenue levels established under this resolution—

(1) according to the President's own economists, the tax burden on Americans is the highest ever at 31.7 percent;

(2) according to the National Taxpayers Union, the average American family now pays almost 40 percent of their income in State, local, and Federal taxes;

(3) between 1978 and 1985, while the top marginal rate on capital gains was cut almost in half—from 35 to 20 percent—total annual Federal receipts from the tax almost tripled from $9,100,000,000 annually to $26,500,000,000 annually;

(4) conversely, when Congress raised the rate in 1986, revenues actually fell well below what was anticipated;

(5) economists across-the-board predict that cutting the capital gains rate will result in a revenue windfall for the Treasury; and

(6) while a USA Today poll from this March found 70 percent of the American people believe that they need a tax cut, under this resolution Federal spending will grow 17 percent over five years while the net tax cuts are less than 1 percent of the total tax burden.

(b) SENSE OF SENATE.—It is the sense of the Senate that with respect to the revenue levels established under this resolution, to the extent that actual revenues exceed the revenues projected under this resolution due to higher than anticipated economic growth, that revenue windfall should be reserved exclusively for additional tax cuts and/or deficit reduction.

SEC. 342. SENSE OF THE SENATE SUPPORTING FEDERAL, STATE, AND LOCAL LAW ENFORCEMENT OFFICERS.

(a) FINDINGS.—The Senate makes the following findings:

(1) Our Federal, State, and local law enforcement officers provide essential services that preserve and protect our freedoms and security, and with the support of Federal assistance, State and local law enforcement officers have succeeded in reducing the national scourge of violent crime, as illustrated by a murder rate in 1996 that is projected to be the lowest since 1971 and a violent crime total in 1996 that is the lowest since 1990.

(2) Through a comprehensive effort to attack violence against women mounted by State and local law enforcement, and dedicated volunteers and professionals who provide victim services, shelter, counseling, and advocacy to battered women and their children, important strides have been made against the national scourge of violence against women, illustrated by the decline in the murder rate for wives, ex-wives, and girlfriends at the hands of their "intimates" fell to a 19-year low in 1995.

(3) Federal, State, and local law enforcement efforts need continued financial commitment from the Federal Government for funding and financial assistance to continue their efforts to combat violent crime and violence against women.

(4) Federal, State and local law enforcement also face other challenges which require continued financial commitment from the Federal Government, including regaining control over the Southwest Border, where drug trafficking and illegal immigration continue to threaten public safety and menace residents on the border and throughout the Nation.

(5) The Violent Crime Reduction Trust Fund established in section 310001 the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211) fully funds the Violent Crime Control and Law Enforcement Act of 1994, including the Violence Against Women Act, without adding to the Federal budget deficit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the provisions and the functional totals underlying this resolution assume that—

(1) the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts to combat violent crime, including violence against women, will be maintained; and

(2) funding for the Violent Crime Reduction program will continue as authorized by the Violent Crime Control and Law Enforcement Act of 1994.

SEC. 343. SENSE OF SENATE REGARDING PARENTAL INVOLVEMENT IN PREVENTION OF DRUG USE BY CHILDREN.

It is the sense of the Senate that the provisions of this resolution assume that, from resources available in this budget resolution, a portion should be set aside for a national grassroots volunteer effort to encourage parental education and involvement in youth drug prevention and to create a drug-intolerant culture for our children.

And the Senate agree to the same.

JOHN R. KASICH,
DAVID L. HOBSON,
JOHN M. SPRATT, Jr.,
Managers on the Part of the House.

PETE V. DOMENICI,
CHUCK GRASSLEY,
FRANK R. LAUTENBERG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (House Concurrent Resolution 84), setting forth the congressional budget for the United States for fiscal years 1998, 1999, 2000, 2001, and 2002, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommend in the accompanying conference report:

The Senate amendment struck out all of the House resolution after the resolving clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House resolution and the Senate amendment.

EXPLANATION OF THE CONFERENCE AGREEMENT

PRINCIPAL COMPONENTS OF THE CONFERENCE AGREEMENT

The conference report on the Concurrent Budget Resolution on the Budget for Fiscal Year 1998 represents the first major legislative step in implementing the Bipartisan Budget Agreement announced by President Clinton and the Bipartisan Congressional Leadership on the May 2 and finalized on May 15, 1997. That agreement called on both Houses to pass a 1998 budget resolution with reconciliation instructions fully reflecting the Bipartisan Budget Agreement. This conference agreement represents the good faith effort of the Congress to implement the Agreement.

This conference report—built on the parameters of the Agreement and the economic projections of the Congressional Budget Office—when implemented through the directed statutory legislation called for in the conference report, will balance the federal budget by 2002, reduce federal spending, reduce the size of the federal government relative to the national economy, extend the solvency of the Medicare trust fund for at least a decade, reduce the burden of federal taxes on American families, and protect federal priority spending programs.

This conference report projects a balanced unified federal budget in the year 2002, as compared to deficits exceeding $150 billion a year, if current spending and tax policies were left unchanged.

This conference report will result in a reduction in the rate of growth of federal government spending from the current projected annual rate of 4.4 percent over the next five years, to 3.1 percent a year. In addition, the conference report when fully implemented, will reduce the scope of federal spending. Measured with respect to the size of a growing national economy resulting from a balanced federal budget, federal spending will decline from 20.8 percent of GDP in 1996 to 18.9 percent in 2002, the lowest level since 1974.

This conference report achieves a balanced federal budget while also reducing taxes on American families and businesses. The annual growth rate of federal taxes will decline and by the year 2002, federal tax receipts will balance spending at 18.9 percent of GDP, down from 19.4 percent in 1996. The Agreement provides that a net tax cut of $85 billion over the next five years will be achieved; with not more than $250 billion in net tax cuts through 2007.

This conference report also provides for an increased allocation of federal resources to the Appropriation Committees for some priority spending programs over the next five years. These include programs for: education, environment, transportation, crime fighting and international affairs. However, even with these increased resources, total federal spending for all appropriated nondefense programs will increase at less than a 0.5 percent annual average rate over the next five years. The conference report also implements the Agreement's child health insurance initiative, modifications to last year's welfare reform legislation, and other initiatives that could total $33.6 billion over the next five years.

Finally, the conference report begins the process of enforcing the Agreement through the existing budget process rules—the reconciliation process, committee spending allocations, and existing pay-go procedures. Additional enforcement mechanisms will be included in substantive law to extend and revise the Budget Enforcement Act of 1990.

DISPLAYS AND AMOUNTS

The contents of concurrent budget resolutions are set forth in section 301(a) of the Congressional Budget Act of 1974.

House resolution

The House budget resolution includes all of the items required as part of a concurrent budget resolution under section 301(a) of the Congressional Budget Act other than the spending and revenue levels for Social Security (which are used to enforce a point of order applicable only in the Senate).

Senate amendment

The Senate amendment includes all of the items required under section 301(a) of the Congressional Budget Act. In addition, it includes the revenue and outlay levels for Social Security for the purpose of enforcing points of order in the Senate.

Conference agreement

The House recedes to the Senate amendment.

AGGREGATES AND FUNCTION LEVELS

Conference agreement

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—FUNCTION TOTALS

[Dollars in billions]

		1997	1998	1999	2000	2001	2002
050: National Defense	BA	264.9	268.2	270.8	274.8	281.3	289.1
	OT	266.6	266.0	265.8	268.4	270.1	272.6
150: International Affairs	BA	15.3	15.9	14.9	15.8	16.1	16.4
	OT	14.5	14.6	14.6	15.0	14.8	14.8
250: Science, Space and Technology	BA	16.7	16.2	16.2	15.9	15.8	15.6
	OT	17.0	16.9	16.5	16.0	15.9	15.7
270: Energy	BA	2.6	3.1	3.5	3.2	2.9	2.8
	OT	1.9	2.2	2.4	2.3	2.0	1.9
300: Natural Resources and Environment	BA	22.2	23.9	23.2	22.6	22.2	22.1
	OT	22.4	22.4	22.7	23.0	22.7	22.3
350: Agriculture	BA	11.8	13.1	12.8	12.2	11.0	10.7
	OT	9.9	11.9	11.3	10.7	9.5	9.1
370: Commerce and Housing Credit:							
On-budget	BA	4.6	6.6	11.1	15.2	16.1	16.7
	OT	−11.0	−0.9	4.3	9.8	12.1	12.5
Off-budget	BA	1.4	2.7	−1.0	−1.3	−0.5	0.2
	OT	1.4	2.7	−1.0	−1.3	−0.5	0.2
Total	BA	6.0	9.3	10.1	13.9	15.6	16.9
	OT	−9.6	1.8	3.3	8.5	11.6	12.7
400: Transportation	BA	43.9	46.4	46.6	47.1	48.1	49.2
	OT	39.5	40.9	41.3	41.4	41.3	41.2
450: Community and Regional Development	BA	10.2	8.8	8.5	7.8	7.8	7.8
	OT	12.1	10.4	10.9	11.0	11.4	8.4
500: Education, Training, Employment and Social Services.	BA	54.2	60.0	60.5	61.7	63.0	63.3
	OT	50.5	56.1	59.3	60.7	61.9	62.3
550: Health	BA	125.3	137.8	145.0	154.1	163.4	172.2
	OT	127.4	137.8	144.9	153.9	163.1	171.7
570: Medicare	BA	190.8	201.6	212.1	225.5	239.6	251.5
	OT	191.3	201.8	211.5	225.5	238.8	250.8
600: Income Security	BA	228.8	239.0	254.1	269.6	275.1	286.9
	OT	237.8	247.8	258.1	268.2	277.3	285.2
650: Social Security:							
On-budget	BA	11.0	11.4	12.1	12.8	13.0	14.4
	OT	11.0	11.5	12.2	12.9	13.0	14.4
Off-budget	BA	352.1	369.4	387.3	406.6	427.1	449.1
	OT	355.4	372.6	390.6	409.9	430.9	452.4
Total	BA	363.1	380.8	399.4	419.4	440.1	463.5
	OT	366.4	384.1	402.8	422.8	443.9	466.8
700: Veterans Benefits	BA	39.1	40.5	41.5	41.7	42.1	42.3
	OT	39.4	41.3	41.7	41.9	42.2	42.4
750: Administration of Justice	BA	23.5	24.8	25.1	24.2	24.4	24.9
	OT	20.7	22.6	24.5	25.2	25.9	24.9
800: General Government	BA	14.0	14.7	14.4	14.0	13.7	13.1
	OT	13.9	14.0	14.4	14.7	14.1	13.1
900: Net Interest:							
On-budget	BA	291.1	296.5	304.6	305.1	303.8	303.7
	OT	291.1	296.5	304.6	305.1	303.8	303.7
Off-budget	BA	−43.5	−48.0	−52.5	−57.2	−61.9	−66.9
	OT	−43.5	−48.0	−52.5	−57.2	−61.9	−66.9
Total	BA	247.6	248.5	252.1	247.9	241.9	236.8
	OT	247.6	248.5	252.1	247.9	241.9	236.8
920: Allowances	BA	....	....	....	....	....	....
	OT	....	....	....	....	....	....
950: Undistributed Offsetting Receipts:							
On-budget	BA	−41.0	−41.8	−36.9	−36.9	−39.2	−51.1
	OT	−41.0	−41.8	−36.9	−36.9	−39.2	−51.1
Off-budget	BA	−6.5	−7.0	−7.5	−91.	−10.9	−13.0

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—FUNCTION TOTALS—Continued

[Dollars in billions]

		1997	1998	1999	2000	2001	2002
	OT	−6.5	−7.0	−7.5	−91.	−10.9	−13.0
Total	BA	−47.5	−48.8	−44.4	−46.0	−501.	−64.1
	OT	−47.5	−48.8	−44.4	−46.0	−501.	−64.1
Total Spending:							
On-budget	BA	1,329.0	1,386.7	1,440.1	1,486.4	1,520.2	1,551.6
	OT	1,315.0	1,372.0	1,424.1	1,468.8	1.500.7	1,515.9
Off-budget	BA	303.5	317.1	326.3	339.0	353.8	369.4
	OT	306.8	320.3	329.6	342.3	357.6	372.7
Total	BA	1,632.5	1,703.8	1,766.4	1,825.4	1,874.0	1,921.0
	OT	1,621.8	1,692.3	1,753.7	1,811.1	1,858.3	1,888.6
Revenues:							
On-budget		1,166.9	1,199.0	1,241.9	1,285.6	1,343.6	1,407.6
Off-budget		388.0	402.8	422.3	442.6	461.6	482.8
Total		1,554.9	1,601.8	1,664.2	1,728.2	1,805.2	1,890.4
Deficit:							
On-budget		−148.1	−173.0	−182.2	−183.2	−157.1	−108.3
Off-budget		81.2	82.5	92.7	100.3	104.0	110.1
Total		−66.9	−90.5	−89.5	−82.9	−53.1	1.8

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—DISCRETIONARY TOTALS

[Dollars in billions]

		1997	1998	1999	2000	2001	2002
050: National Defense	BA	265.8	269.0	271.5	275.4	281.8	289.6
	OT	267.5	266.8	266.5	269.0	270.7	273.1
150: International Affairs	BA	18.1	19.0	18.6	18.5	18.3	18.2
	OT	19.2	19.2	18.8	18.8	18.5	18.4
250: Science, Space and Technology	BA	16.6	16.2	16.2	15.9	15.8	15.6
	OT	17.0	16.8	16.5	16.0	15.8	15.6
270: Energy	BA	4.3	4.8	4.9	4.6	4.4	4.2
	OT	4.9	5.0	5.1	4.8	4.6	4.4
300: Natural Resources and Environment	BA	21.5	22.8	22.2	21.6	21.2	21.2
	OT	21.5	21.4	21.7	21.9	21.8	21.5
350: Agriculture	BA	4.2	4.1	4.0	3.9	3.8	3.8
	OT	4.2	4.1	4.1	3.9	3.9	3.8
370: Commerce and Housing Credit	BA	2.8	3.1	3.5	5.0	3.0	2.9
	OT	2.8	3.1	3.4	4.6	3.2	2.7
400: Transportation	BA	13.8	13.6	15.0	14.8	15.1	15.3
	OT	36.9	38.3	38.9	39.3	39.4	39.4
450: Community and Regional Development	BA	9.3	8.3	8.2	7.5	7.5	7.6
	OT	11.7	10.0	10.9	11.0	11.3	8.4
500: Education, Training, Employment and Social Services.	BA	42.4	46.7	47.0	47.9	48.5	49.2
	OT	40.3	43.2	46.1	47.1	47.8	48.6
550: Health	BA	25.0	24.9	24.7	24.6	24.4	24.2
	OT	23.8	24.6	24.8	24.9	24.6	24.3
570: Medicare	BA	2.6	2.7	2.7	2.7	2.6	2.6
	OT	2.7	2.7	2.6	2.7	2.7	2.6
600: Income Security	BA	26.6	32.9	35.7	37.7	38.7	39.6
	OT	40.9	41.3	41.6	41.3	41.2	40.8
650: Social Security	BA	3.5	3.3	3.2	3.2	3.2	3.1
	OT	3.4	3.4	3.3	3.3	3.2	3.1
700: Veterans Benefits	BA	18.9	18.5	18.4	18.3	18.2	18.0
	OT	19.3	19.3	18.6	18.3	18.2	17.9
750: Administration of Justice	BA	22.9	24.4	24.8	23.9	24.1	24.7
	OT	20.4	22.2	24.2	25.0	25.7	24.7
800: General Government	BA	11.8	12.6	12.3	11.8	11.5	11.4
	OT	11.9	11.9	12.2	12.4	11.9	11.4

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—DISCRETIONARY TOTALS—Continued

[Dollars in billions]

		1997	1998	1999	2000	2001	2002
920: Allowances	BA	....	....	....	....	....	....
	OT	....	....	....	....	....	....
Total Discretionary	BA	510.1	526.9	533.0	537.2	542.0	551.1
	OT	548.5	553.3	559.3	564.3	564.4	560.8
Defense	BA	265.8	269.0	271.5	275.4	281.8	289.6
	OT	267.5	266.8	266.5	269.0	270.7	273.1
Nondefense	BA	244.3	257.9	261.5	261.8	260.2	261.5
	OT	281.0	286.4	292.8	295.3	293.7	287.7

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—MANDATORY TOTALS

[Dollars in billions]

		1997	1998	1999	2000	2001	2002
050: National Defense	BA	-0.9	-0.8	-0.7	-0.6	-0.5	-0.5
	OT	-1.0	-0.8	-0.7	-0.6	-0.6	-0.5
150: International Affairs	BA	-2.8	-3.1	-3.7	-2.8	-2.2	-1.9
	OT	-4.6	-4.6	-4.3	-3.8	-3.8	-3.6
250: Science, Space and Technology	BA	0.0	0.0	0.0	0.0	0.0	0.0
	OT	0.0	0.0	0.0	0.0	0.0	0.0
270: Energy	BA	-1.8	-1.6	-1.4	-1.4	-1.5	-1.4
	OT	-3.1	-2.8	-2.6	-2.5	-2.6	-2.6
300: Natural Resources and Environment	BA	0.7	1.1	1.0	1.0	1.0	0.9
	OT	0.8	1.0	1.0	1.0	0.9	0.8
350: Agriculture	BA	7.7	9.1	8.8	8.4	7.2	6.9
	OT	5.8	7.7	7.2	6.7	5.6	5.3
370: Commerce and Housing Credit	BA	3.2	6.2	6.6	9.0	12.6	14.0
	OT	-12.4	-1.3	-0.0	4.0	8.4	10.1
400: Transportation	BA	30.0	32.8	31.6	32.3	33.1	33.8
	OT	2.6	2.7	2.3	2.0	1.9	1.8
450: Community and Regional Development	BA	0.9	0.5	0.3	0.3	0.2	0.2
	OT	0.4	0.3	0.0	0.0	0.0	0.0
500: Education, Training, Employment and Social Services.	BA	11.8	13.3	13.4	13.8	14.5	14.1
	OT	10.1	12.9	13.2	13.7	14.2	13.8
550: Health	BA	100.3	112.9	120.2	129.4	139.0	148.0
	OT	103.6	113.2	120.1	129.1	138.5	147.4
570: Medicare	BA	188.2	198.9	209.4	222.9	237.0	248.9
	OT	188.6	199.0	208.9	222.8	236.1	248.1
600: Income Security	BA	202.2	206.1	218.4	231.9	236.4	247.4
	OT	197.0	206.5	216.5	226.8	236.1	244.4
650: Social Security	BA	359.7	377.5	396.2	416.2	437.0	460.4
	OT	363.0	380.7	399.5	419.5	440.7	463.7
700: Veterans Benefits	BA	20.2	22.1	23.0	23.4	23.9	24.3
	OT	20.1	22.1	23.1	23.6	24.1	24.6
750: Administration of Justice	BA	0.6	0.4	0.3	0.3	0.3	0.2
	OT	0.4	0.4	0.3	0.2	0.2	0.2
800: General Government	BA	2.2	2.1	2.1	2.2	2.2	1.7
	OT	2.0	2.1	2.1	2.4	2.2	1.7
900: Net Interest	BA	247.6	248.6	252.0	247.9	241.9	236.9
	OT	247.6	248.6	252.0	247.9	241.9	236.9
920: Allowances	BA	....	....	....	....	....	....
	OT	....	....	....	....	....	....
950: Undistributed Offsetting Receipts	BA	-47.4	-48.8	-44.4	-46.0	-50.0	-64.1
	OT	-47.4	-48.8	-44.4	-46.0	-50.0	-64.1
Total Spending	BA	1,122.4	1,177.1	1,233.2	1,288.2	1,332.0	1,370.0
	OT	1,073.5	1,138.9	1,194.3	1,246.9	1,294.0	1,328.0

ECONOMICS

Section 301(g)(2) of the Congressional Budget Act requires that the joint explanatory statement accompanying a conference report on a budget resolution set forth the common economic assumptions upon which the joint statement and conference report are based. The conference agreement is based upon the economic forecasts developed by the Congressional Budget Office and presented in CBO's "The Economic and Budget Outlook: Fiscal Years 1998–2007" (January 1997). These economic forecasts assume a balanced budget by 2002. Changes were made to CBO's inflation projections, however, to reflect expected non-legislated technical CPI changes by the Bureau of Labor Statistics (BLS). The baseline also includes CBO's technical revenue re-estimate which was released in early May 1997.

House resolution

The assumptions of the House Resolution are identical to the assumptions of the Senate Amendment listed below.

Senate amendment

CBO's CPI forecasts were modified to reflect two upcoming technical changes that BLS will make in early 1999, namely the implementation of geometric means and an improved rotation of new goods into the CPI survey. These changes were announced after CBO's winter forecast was completed. CBO provided range estimates as to the likely impact of these technical changes on CPI growth. Based upon these estimates, the Senate Amendment reduced CBO's yearly CPI forecasts by 0.3 percentage points beginning in 1999. The Senate Amendment also increased CBO's taxable income stream by 0.04 percentage points a year, following CBO's statement that they may not have fully reflected BLS' 1996 reduction in CPI formula bias. Lastly, the Senate Amendment also included CBO's technical revenue re-estimate. In May 1997, CBO suggested that the Budget Committees should reduce their 1997–2002 deficits by an amount similar to $45 billion each year, partly in response to an increase in FY 1997 revenue.

Conference agreement

The conference agreement follows the House resolution and the Senate amendment.

ECONOMIC ASSUMPTIONS

[By calendar years]

	1997	1998	1999	2000	2001	2002
Percent change, year over year:						
Real GDP growth	2.3	2.1	2.2	2.2	2.2	2.1
Consumer Price Index	2.9	2.9	2.7	2.7	2.7	2.7
GDP Price Index	2.3	2.5	2.6	2.6	2.6	2.6
Percent, annual:						
Unemployment rate	5.3	5.6	5.8	5.9	6.0	6.0
Three-month Treasury bill rate	5.0	5.0	4.6	4.2	3.9	3.9
Ten-year Treasury bond rate	6.2	6.1	5.8	5.5	5.5	5.5
Share of GDP:						
Wages and salaries	48.0	47.7	47.6	47.4	47.3	47.3

ECONOMIC ASSUMPTIONS—Continued

[By calendar years]

	1997	1998	1999	2000	2001	2002
Corporate profits (book)	8.2	8.1	7.9	7.8	7.9	7.8

SPENDING AND REVENUES

A. Spending by Function

FUNCTION 050: NATIONAL DEFENSE

Major programs in function

The National Defense function includes the Department of Defense (DOD) in subfunction 051, Atomic Energy Defense Activities (AEDA) in the Department of Energy (DOE) in subfunction 053, and other defense related activities in the Federal Emergency Management Agency, the Select Service, and other federal agencies in subfunction 054. More than 94.6 percent of the 1998 budget authority in the President's Budget are for the Department of Defense (051); 5.1 percent of the funds are for subfunction 053, and the remaining 0.3 percent is for subfunction 054.

House resolution

FUNCTION 050: NATIONAL DEFENSE

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	264,905	268,197	270,784	274,802	281,305	289,092
Outlays	266,582	265,978	265,771	268,418	270,110	272,571

The House resolution assumes $268.2 billion in budget authority [BA] and $266.0 billion in outlays for fiscal year 1998. Over the 5-year period from 1998 through 2002, the resolution assumes totals of $1,384.2 billion in BA and $1,342.8 billion in outlays.

For discretionary spending in this function, the House resolution assumes $269.0 billion in budget authority [BA] and $266.8 billion in outlays in fiscal year 1998. Over 5 years, it assumes $1,387.3 billion in BA and $1,346.1 billion in outlays.

The House resolution makes no assumptions concerning mandatory spending in this function.

Senate amendment

Discretionary spending.—Discretionary spending in this function is a priority in the Bipartisan Budget Agreement.

The table below presents the discretionary spending figures for the Senate amendment.

	1997	1998	1999	2000	2001	2002	Total 98–02	
Reported budget	(BA)	265.8	269.0	271.5	275.4	281.8	289.6	1387.3
Resolution	(OT)	267.5	266.8	266.5	269.0	270.7	273.1	1346.1

The Senate amendment is a middle ground between the Budget Resolution Baseline and a five year freeze at the final 1997 appropriated levels. It is an increase over the FY 1997 Congressional Budget Resolution projections for 1998 to 2002, and for the same years it exceeds the President's Budget in budget authority and is virtually the same in outlays.

The 1998–2002 totals of the Senate amendment are: (1) $63.0 billion in budget authority and $76.8 billion in outlays below the Budget Resolution Baseline; (2) $58.1 billion in budget authority and $24.1 billion in outlays above the Freeze Baseline; (3) $16.7 billion in budget authority and $5.2 billion in outlays above the FY 1997 Congressional Budget Resolution, and (4) $4.4 billion in budget authority above the President's Budget; in outlays it is $200 million lower.

The Senate amendment assumes non-statutory "firewalls" for two years, 1998 and 1999. The Balanced Budget Agreement includes statutory firewalls to be enacted later.

When comparing the Senate amendment to the President's Budget, one will notice the following differences. For 1998, the Senate amendment is $2.6 billion higher in budget authority and $1.0 billion higher in outlays. Over the years 1998–2002, in budget authority, the Senate amendment is higher or equal to the President's Budget for all years; overall it is an increase of $4.4 billion. Over the years 1998–2002, in outlays, the reported resolution's defense outlays exceed or are equal to the President's Budget in the years 1998 through 2001; in 2002, the President's Budget is higher. Overall, the Senate amendment and the President's Budget are virtually the same; the Senate amendment is $200 million lower, a difference of one hundredth of one percent.

Mandatory spending.—For mandatory spending in the 050 function, $200 million in additional stockpile sales were requested by the President in 2002, but they were not scored by CBO because no implementing legislation had been requested.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 150: INTERNATIONAL AFFAIRS

Major programs in function

Function 150 includes the operation of foreign affairs establishments including embassies and other diplomatic missions abroad; foreign aid loan and technical assistance activities in less developed countries; security assistance to foreign governments; foreign military sales made through the Foreign Military Sales Trust Fund; U.S. contributions to international financial institutions; U.S. contributions to international organizations; trade promotion activities; and refugee assistance.

House resolution

FUNCTION 150: INTERNATIONAL AFFAIRS

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	15,281	15,909	14,918	15,782	16,114	16,353
Outlays	14,534	14,558	14,569	14,981	14,751	14,812

The House resolution assumes $15.9 billion in budget authority [BA] in fiscal year 1998 and $14.6 billion in outlays. Over the 5-year period from 1998 through 2002, the resolution assumes totals $79.1 in budget authority and $73.7 in outlays.

The House resolution assumes that budget authority for discretionary programs will be $19.0 billion in 1998 and total $92.7 billion over the next 5 years. Likewise, outlays are estimated to be $19.2 billion in 1998 and $93.8 billion over the next 5 years. The House resolution assumes a cap adjustment is available for exchanges of monetary assets and for international organization arrears.

No changes are envisioned concerning mandatory programs.

Senate amendment

Discretionary spending.—Discretionary spending in this function is a priority in the Bipartisan Budget Agreement. International Affairs discretionary spending in 1998 for this function would rise to $19.0 billion in BA and $19.2 billion in outlays, an increase of $0.4 billion in BA and $0.04 billion in outlays above the Budget Resolution Baseline for FY 1998. Over the five year period, spending would drop to a level of $18.2 billion in BA and $18.4 billion in outlays by 2002.

In the 1998 budget request, the President proposed funding $3.521 billion for the New Arrangements to Borrow (NAB), the emergency reserves of the IMF. Funding for the NAB is accommodated at the requested level by a provision in the Budget Process and Enforcement category providing an allowance for an upward adjustment to the budget authority discretionary spending limits should Congress act to support the proposal. A similar adjustment was provided for the IMF in the 1990 Budget Enforcement Act.

In the 1998 budget request, the President proposed funding to pay off the US arrears to the United Nations and other international organizations and the multilateral development banks over three years. Funding for the arrearages is accommodated at the requested level by a provision in the Budget Process and Enforcement category providing an allowance for an upward adjustment to the discretionary spending limits should Congress act to appropriate these funds. The Senate amendment intends for this adjustment to provide the committees of jurisdiction the necessary flexibility to reach a bipartisan resolution. In response to the Administration's proposal to pay the UN arrears, the Majority Leader in coordination with the chairmen and ranking members of the committees of jurisdiction has initiated efforts to meet that objective contingent on significant, demonstrable, and achievable reforms at the United Nations.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriations Committee. Examples of possible reductions include the following:

The Senate amendment assumes the Administration's proposal to cut the 1998 level of funding for the Export Import Bank of the United States to a level of $630 million in BA in 1998, and $85 million decrease from 1997.

The Senate amendment assumes the Administration request of $492 million in BA for the Assistance for Eastern Europe and the Baltic States. By 2002 the request falls to $50 million in BA, $425 million below the 1997 level.

Mandatory spending.—Mandatory programs, in 1997, totaled −$2.8 billion in BA and −$4.6 billion in outlays. In 1998, mandatory accounts total −$3.1 billion in BA and −$4.6 billion in outlays and by 2002 total −$1.9 billion in BA and −$3.6 billion in outlays.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 250: GENERAL SCIENCE, SPACE & TRANSPORTATION

Major programs in function

Function 250 includes the National Aeronautics and Space Administration (NASA) civilian space program, the National Science Foundation (NSF), and basic research programs of the Department of Energy (DOE).

Seventy-five percent of the function is comprised of spending for NASA. Nearly 100 percent of the function is discretionary, under the jurisdiction of the Appropriations subcommittees on VA, HUD and Independent Agencies and Energy and Water.

House amendment

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	16,667	16,237	16,203	15,947	15,800	15,604
Outlays	17,038	16,882	16,528	16,013	15,862	15,668

The House resolution assumes $16.2 billion in budget authority [BA] and $16.9 billion in outlays for fiscal year 1998. Over the 5-year period from 1998 through 2002, the resolutions assumes totals of $79.8 billion in BA and $81.0 billion in outlays.

The House resolution assumes that budget authority for discretionary programs will be $16.2 billion in 1998 and total $79.6 billion over the next 5 years. Likewise, outlays are estimated to be $16.8 billion in 1998 and $80.8 billion over the next 5 years.

No changes are envisioned concerning mandatory programs.

Senate amendment

Discretionary spending.—Discretionary spending in 1998 for Function 250 would decrease by $0.9 billion in BA and $0.5 billion in outlays from the Budget Resolution baseline, resulting in total 1998 funding of $16.2 billion in BA and $16.8 billion in outlays. Over the five year period, budget authority would be decreased by $10.6 billion in BA and $9.0 billion in outlays by 2002 from the Budget Resolution baseline.

The Senate amendment assumes continued support for basic research between 1998 and 2002. National Science Foundation (NSF) spending on research and related activities would grow from their current level of $2.4 billion to $2.5 billion in 2002.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriations Committee.

Examples of possible reductions include the following: (1) The Senate amendment assumes the President's budget proposal to freeze DOE General Science programs at their 1997 level of $1.0 billion through 2002. (2) The Senate amendment assumes the President's reductions in NASA Science, Aeronautics, and Technology programs. Savings are achieved from the Budget Resolution baseline by allowing these programs to increase by an average of only two percent each year, from their current level of $4.8 billion to $5.2 billion in 2002. The proposal would result in savings of $0.8 billion over the five-year period. (3) The Senate amendment assumes the President's budget reductions to NASA Human Space Flight accounts. These activities would be reduced from their current level of $5.5 billion to $4.7 billion, with much of this reduction coming from planned reductions to the Space Station, which is scheduled to be funded at $2.1 billion in 1998 and fall to $1.5 billion in 2002. The proposal would result in savings of $4.2 billion over the five-year period. (4) The Senate amendment assumes the President's budget reductions to NASA Mission Support activities, which would be frozen at $2.5 billion per year, saving $1.7 billion over the five-year period. (5) The Senate amendment assumes the President's budget reductions to NSF spending on education and human resources, which would be frozen at their current level of $0.6 billion. (6) The President has proposed to reduce these NSF activities by $0.1 billion between 1998 and 2002 from the Budget Resolution baseline.

Mandatory spending.—There are no mandatory assumptions in Function 250.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 270: ENERGY

Major programs in function

Function 270 funds the civilian activities of the Department of Energy (DOE), the Rural Utilities Service (RUS), the Nuclear Regulatory Commission (NRC), and the net spending of the Tennessee Valley Authority (TVA) power program.

House resolution

FUNCTION 270: ENERGY

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	2,562	3,123	3,469	3,186	2,939	2,846
Outlays	1,864	2,247	2,446	2,293	2,048	1,867

The House resolution assumes $3.1 billion in budget authority [BA] and $2.2 billion in outlays for fiscal year 1998. Over the 5-year period from 1998 through 2002, the House resolution assumes totals of $15.6 billion in BA and $10.9 billion in outlays.

The House resolution is consistent with the budget agreement. The House resolution assumes that budget authority for discretionary programs will be $4.8 billion in 1998 and total $22.9 over the next 5 years. Likewise, outlays are estimated to be $5.0 in 1998 and $24.0 over the next 5 years.

Consistent with the budget agreement, it is assumed that the Department of Energy [DOE] will be authorized to lease excess storage capacity in the Strategic Petroleum Reserve.

Senate amendment

Discretionary spending.—The Senate amendment assumes spending of $22.9 billion in budget authority and $24.0 billion in outlays for the function over the next five years. By 2002 spending would decrease by $0.5 billion in BA and $0.6 billion in outlays as compared to Budget Resolution baseline levels.

The aggregate numbers in this function will support the overall level of spending assumed in the Bipartisan Budget Agreement. In order to meet these levels, specific program reductions and freezes would be required beyond the President's request.

The Senate amendment places a priority on the Department of Energy programs that support science and basic research, such as DOE's efforts to map the human genome and the activities at the Department of Energy National Laboratories.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Naval Petroleum Reserves reductions. The President's Budget request proposes to reduce the Naval Petroleum Reserves program. The outyear discretionary savings result from the sale of Elk Hills Naval Petroleum Reserve scheduled for February 1998 and the subsequent reduced appropriations requirement. (2) Fossil Energy R&D reductions. The President's request would reduce fossil (coal, natural gas, and petroleum) technology development programs. (3) Other. The President's Budget request proposes reductions in the Uranium Enrichment decontamination and decommissioning fund and the Power Marketing Administrations. The President's request reduces the Rural Electrification Administration (REA) and the Energy Information Administration (EIA).

Mandatory spending.—The reported resolution adopts a proposal from the 1997 Budget Resolution and the President's budget request that authorizes DOE to lease excess SPRO storage capacity.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 300: ENVIRONMENT AND NATURAL RESOURCES

Major programs in function

This function includes funding for water resources, conservation and land management, recreation resources, and pollution control and abatement. Agencies with major programs in this function include: the Army Corp of Engineers (CORP), Bureau of Reclamation (BOR), Forest Service (USFS), Bureau of Land Management (BLM), Fish and Wildlife Service (USFWS), the National Park Service (NPS), Environmental Protection Agency (EPA), National Oceanic and Atmospheric Administration (NOAA), and the U.S. Geological Survey (USGS).

House resolution

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	22,199	23,877	23,227	22,570	22,151	22,086
Outlays	22,359	22,405	22,702	22,963	22,720	22,313

The House resolution assumes $23.9 billion in budget authority [BA] and $22.4 billion in outlays for fiscal year 1998. Over the 5-year period, from 1998 through 2002, the total BA is $113.9 billion and $113.1 billion in outlays.

The House resolution assumes that budget authority for discretionary programs will be $22.8 billion in 1998 and total $108.9 over the next 5 years. Likewise, outlays are estimated to be $21.4 billion in 1998 and $108.3 billion over the next 5 years.

The House resolution assumes that up to $700 million will be available for Federal land acquisitions and to finalize priority Federal land exchanges, and that Superfund appropriations will be at the President's level if policies can be worked out.

The EPA Operating Program, the Operation of the National Park System, Land Acquisition and State Assistance, and Everglades Restoration Fund (including Corps of Engineers) are considered protected domestic, discretionary priorities, consistent with the Bipartisan Budget Agreement.

The House resolution also assumes that the amounts provided are sufficient to accommodate $143 million in fiscal year 1998 to implement the California Bay-Delta Environmental Enhancement and Water Security Act.

The House resolution assumes that $200 million will be reserved annually for an Environmental Reserve Fund, contingent upon Superfund reform.

Senate amendment

Discretionary spending.—The discretionary spending in this function is a priority in the Bipartisan Budget Agreement. Discretionary spending in 1998 for this function increases by $0.6 billion in BA and increases by $0.3 billion in outlays above the Budget Resolution Baseline, to $22.8 billion in BA and $21.4 billion in outlays. Over the five year period, discretionary spending decreases to $21.2 billion in BA and $21.5 billion in outlays in 2002. The Senate amendment assumes total discretionary spending of $109.0 billion in BA and $108.3 billion in outlays over the five year period.

The Bipartisan Budget Agreement assumes the President's request of $1.2 billion in both BA and outlays for National Park Service operations, an increase of $66 million in BA and $57 million in outlays above 1997. This is an increase of $25 million in BA and $19 million in outlays above in the 1998 Budget Resolution Baseline. The Agreement assumes the President's funding request within the National Park Service and the Corps of Engineers for the restoration of the Florida Everglades.

The Bipartisan Budget Agreement also assumes the President's request of $3.5 billion in BA and $3.3 billion in outlays for EPA's operating programs, an increase of $0.3 billion in both BA and outlays above 1997.

The Bipartisan Budget Agreement assumes the President's request of $41 million in 1998, for National Park Service land acquisition, an increase of $17 million above 1997 ($162 million over the five year period). In addition, the Agreement assumes an additional $700 million in BA in 1998 and the associated outlays for 1998 through 2001 for high priority Federal land acquisitions and exchanges. The funding will be allocated to function 300 as an allowance exclusively for this purpose.

In 1997, $1.3 billion was provided for the hazardous waste Superfund operated through the Environmental Protection Agency. The Superfund authorization and the taxes to finance the Superfund trust fund expired in 1994 and 1995, respectively. Increased funding can be accommodated at the President's request of $2.1 billion in 1998 and $8.4 billion over five years if policies can be worked out.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions are: (1) Forest Service (FS) and Bureau of Land Management (BLM) Wildfire Management: In 1997, approximately $0.6 billion was spent on emergency firefighting for both the FS and BLM. The President's budget does not include the emergency funding but it does provide $0.8 billion in both BA and outlays in base funding. (2) FS construction and reconstruction: The President's budget proposes $0.1 billion in BA and $0.2 billion in outlays, a decrease of $34 million in BA and $24 million in outlays below the 1997 level. (3) Corps of Engineers: The President's budget proposes $3.5 billion for the major programs of the Corps, an increase of $0.2 billion in BA above 1997 and a decrease of $0.1 billion in outlays below 1997. The Senate amendment does not assume the President's proposal for Capital Asset Acquisitions.

Mandatory spending.—The Senate amendment assumes $1.0 billion over the five year period and $2.0 billion over ten years for new mandatory spending for orphan shares at Superfund hazardous waste cleanup sites. Orphan shares are portions of financial liability at Superfund sites allocated to non-Federal parties with limited or no ability to pay. The funds will be reserved for this purpose based on the assumption of a policy agreement on orphan share spending.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 350: AGRICULTURE

Major programs in function

This function includes programs that intend to promote economic stability in the agriculture sector. Programs in this function include direct assistance and loans to food and fiber producers, and market-information and agriculture research. Producers are assisted with production flexibility contract payment, crop insurance, non-recourse crop loans, operating loans and export promotion.

House resolution

FUNCTION 350: AGRICULTURE

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	11,819	13,133	12,790	12,215	10,978	10,670
Outlays	9,910	11,892	11,294	10,664	9,494	9,108

The House resolution assumes $13.1 billion in budget authority [BA] and $11.9 billion in outlays for fiscal year 1998. Over the 5-year period from 1998 through 2002, the House resolution assumes totals of $59.8 billion in BA and $52.5 billion in outlays.

The House resolution assumes that budget authority for discretionary programs will be $4.1 billion in 1998 and total $19.4 billion over the next 5 years. Likewise, outlays are estimated to be $4.1 billion in 1998 and $19.8 billion over the next 5 years.

The House resolution makes no assumptions concerning mandatory programs in this function.

Senate amendment

Discretionary spending.—Discretionary spending in 1998 for this function would decrease by $0.2 billion in BA and $0.1 billion in outlays below the Budget Resolution Baseline, to $4.1 billion in both BA and outlays. Over the five year period, discretionary spending would decrease to $3.8 billion in both BA and outlays in 2002. The Senate amendment assumes total discretionary spending of $19.6 billion in BA and $19.8 billion in outlays over the five year period. The aggregate numbers in this function will support the overall level of spending assumed in the Bipartisan Budget Agreement. In order to meet those levels, specific program reductions and freezes may be required beyond the President's request.

The Senate amendment assumes the President's proposal of $0.2 billion in discretionary funds to reimburse agent's sales commissions and company administrative expenses for private delivery. Private sales agents and insurance companies administer federal crop insurance on the federal government's behalf. In exchange for private delivery, the Department of Agriculture reimburses the private companies. Under current law, reimbursements are paid from the mandatory Federal Crop Insurance Fund and in 1998 and, thereafter, sales commissions are discretionary.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Farm Service Agency (FSA) salaries and expenses: The President's budget proposes $0.7 billion in both BA and outlays in 1998 for salaries and expenses, a decrease of $32 million in BA and $30 million in outlays, below the Budget Resolution Baseline. Over the five year period the President proposes to reduce FSA salaries and expenses by $1.1 billion in both BA and outlays. (2) Agriculture Credit Insurance Fund (ACIF): The President's budget proposes $0.3 billion in both BA and outlays for the ACIF in 1998, a decease of $46 million in BA and $40 million in outlays below the Budget Resolution Baseline. (3) Agriculture Research Service (ARS) Buildings and Facilities and Cooperative State Research, Education, and Extension Service Buildings and Facilities (CSREES): The President's budget proposes to terminate CSREES building and facilities and reduce ARS buildings and facilities. The proposal saves $76 million in BA and $4 million in outlays in 1998 below the Budget Resolution Baseline. Over five years, this proposal saves $0.5 million in BA and $0.3 million in outlays. (4) Agriculture Research: The President's budget proposes $1.6 billion in both BA and outlays for agriculture research and extension, a reduction of $44 million in BA and $27 million in outlays below the Budget Resolution Baseline.

Mandatory spending.—Over the five year period mandatory spending decreases from $7.7 billion in 1998 to $5.2 billion in 2002, a decrease of $2.5 billion. The majority of the decrease is associated with a reduction in flexibility contract payments and other policy changes enacted in the 1996 Farm Bill. The Senate amendment assumes total mandatory spending of $32.6 billion over the five year period. It does not assume policy changes for mandatory programs in this function.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

Major programs in function

Function 370 includes certain discretionary housing programs, such as subsidies for single and multifamily housing in rural areas and mortgage insurance provided by the Federal Housing Administration; net spending by the Postal Service; discretionary funding for commerce programs, such as international trade and exports, science and technology, the periodic census, and small business; and mandatory spending for deposit insurance activities related to banks, thrifts, and credit unions.

House resolution

FUNCTION 370: COMMERCE AND HOUSING CREDIT

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	5,981	9,296	10,127	13,921	15,546	16,902
Outlays	−9,571	1,769	3,344	8,559	11,601	12,765

The House resolution assumes $9.3 billion in budget authority and $1.8 billion in outlays in fiscal year 1998. Over the 5-year period from 1998 through 2002, the resolution assumes $65.8 billion in BA and $38.0 in outlays.

The House resolution assumes for discretionary programs $3.1 billion in budget authority and outlays in fiscal year 1998. Over the 5-year period, from 1998 to 2002, the House resolution assumes $17.5 billion in BA and $16.9 billion in outlays over 5 years.

The Federal Housing Administration provides mortgage insurance to Americans who otherwise might not be able to obtain the financing to buy a house. When a home buyer defaults on a federally insured mortgage, the FHA must pay the balance on the mortgage to the lender, and foreclose on the house. By giving the FHA more flexibility to work with homeowners who are in default on their mortgages, costs to the FHA insurance fund can be avoided. The House resolution assumes continuation of current law policy to provide FHA with tools to encourage lenders to forbear for only up to 1 year. This would improve the targeting and efficiency of HUD's current program, and allow the FHA homeowners experiencing temporary economic distress to stay in their homes.

The House resolution assumes shifting to the Postal Service the cost of financing workers compensation benefits for pre-1971 postal employees. This produces net savings of $121 million over 5 years.

Senate amendment

Discretionary spending.—Discretionary spending in 1998 for this function would increase by $0.3 billion in BA and outlays over the 1997 level, to $3.1 billion in BA and outlays. By 2002, spending would return approximately to 1997 levels of $2.9 billion in BA and $2.7 billion in outlays, after having peaked at $5 billion in BA and $4.6 billion in outlays in 2000 to cover the costs of conducting the decennial census.

The decennial census requires a level of resources that is an order of magnitude larger than the baseline amounts based on the 1997 appropriation of $0.2 million for the periodic census. The Senate amendment includes sufficient funding over the next five years to conduct the census, and reflects savings from implementing improvements in conducting the census.

The Bipartisan Budget Agreement provides the President's request for the National Institute of Standards and Technology (NIST), which is an increase of $0.7 billion in budget authority and $0.3 billion in outlays over the Budget Resolution Baseline over the next five years.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriations Committees.

Following are examples of possible reductions. The President's Budget proposes to operate a group of programs over the next five years at a level of resources generally frozen at the 1997 level, including direct rural multifamily housing loans and associated administrative expenses (actually a 4.5 percent reduction in 1998 compared to 1997), SBA business loans and salaries and expenses, payment for postal subsidies, FHA multifamily housing loan insurance, and salaries and expenses for the International Trade Administration (ITA), salaries and expenses at NIST, the Census Bureau, and the Federal Communications Commission.

Mandatory spending.—The apparent increase in BA and outlays from 1997 to 2002 in the Senate amendment (an $11 billion BA change and a $22.4 billion outlay change) stems not from new policies but from baseline increases in the mandatory programs in this function. The primary component of the baseline increase is the Universal Service Fund, into which telecommunications carriers are required to pay amounts to cover the cost of guaranteeing certain levels of service in rural and high cost areas. These amounts appear as federal revenues on the tax side of the budget, with corresponding spending appearing in this budget function. While the fund has no net impact on the budget, the BA and outlays for the fund grow from $1 billion in 1997 to $12.2 billion in 2002, swamping any changes in other mandatory activities in this function.

The Treasury pays the Postal Service about $30 million annually for obligations incurred by the federal government before the Postal Service was reorganized and placed off-budget in 1971. The Bipartisan Budget Agreement provides for an end to these payments, with the costs shifting to postal rate payers and save the Treasury $0.1 billion over the next five years.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 400: TRANSPORTATION

Major programs in function

Function 400 includes ground transportation programs, such as the federal-aid highway program, mass transit operating and capital assistance, rail transportation through AMTRAK and other rail programs; air transportation through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP), aviation facilities and equipment programs, and operation of the air traffic control system; water transportation through the Coast Guard and the Maritime Administration; and related transportation support activities.

House resolution

FUNCTION 400: TRANSPORTATION

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	43,869	46,402	46,556	47,114	48,135	49,184
Outlays	39,544	40,933	41,256	41,357	41,303	41,247

The House resolution assumes budget authority of $46.4 billion for fiscal year 1998, $49.2 billion for fiscal year 2002, and $237.4 billion for the 5-year period of fiscal years 1998–2002. The House resolution assumes outlays of $40.9 billion for fiscal year 1998, $41.2 billion for fiscal year 2002, and $206.1 billion for the 5-year period of fiscal years 1998–2002.

The House resolution assumes budget authority for discretionary programs of $13.6 billion for fiscal year 1998, $15.3 billion for fiscal year 2002, and $73.7 billion for the 5-year period of fiscal years 1998–2002. The House resolution assumes outlays of $38.3 billion for fiscal year 1998, $39.4 billion for fiscal year 2002, and $195.3 billion for the 5-year period of fiscal years 1998–2002.

In mandatory spending, the House resolution assumes the permanent extension of vessel tonnage fees.

Senate amendment

Discretionary spending.—Discretionary spending in this function is a priority in the Bipartisan Budget Agreement. Discretionary spending in 1998 for Function 400 would decrease by $1.1 billion in BA, while outlays would increase by $0.6 billion from the Budget Resolution baseline, resulting in total 1998 spending of $13.6 billion in BA and $38.3 billion in outlays. Over the five year period, total discretionary spending would decrease by $4.1 billion in BA and $2.3 billion in outlays by 2002 below the Budget Resolution baseline.

The Senate amendment assumes spending of all estimated Highway Trust Fund tax receipts between 1998 and 2002. Yearly allocations of Highway Trust Fund spending would be equal to the current estimates of tax receipts to the Highway Trust Fund, with a one-year delay. The proposal would increase total highway spending from its current level of $20.8 billion to $23.1 billion in 2002.

The Senate amendment assumes the Budget Resolution baseline for FAA Operations, Facilities and Equipment, and Research, Engineering, and Development programs. The Senate amendment would provide for these programs to grow from their 1997 level of $7.1 billion to $8.3 billion in 2002. The Senate amendment also assumes a freeze in the Airport Improvement Program (AIP), through 2002, at its current level of $1.46 billion. The President's budget had provided for AIP to be reduced to $1.0 billion in 1998 and frozen at this figure through 2002.

The Senate amendment assumes the Budget Resolution baseline for the Federal Transit Administration (FTA). This assumption would allow for total mass transit outlays to rise from their current level of $4.3 billion to $4.5 billion in 2002.

The Senate amendment assumes the Budget Resolution baseline for Amtrak. This proposal would allow Amtrak spending to rise from its current level of $0.8 billion to $0.9 billion in 2002.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriations Committee.

Examples of possible reductions include: (1) The Department of Transportation Office of the Secretary accounts, maritime, and NASA Function 400 aeronautical facilities. (2) Coast Guard. Spending could be reduced by $0.8 billion over the five year period below the Budget Resolution baseline. Most of this reduction is from the President's proposal to freeze Coast Guard operations at $2.4 billion from 1998 through 2002.

Mandatory spending.—The Senate amendment provides for an increase in contract authority for highways, highway safety, and mass transit above the levels provided in 1997. Total highway and highway safety contract authority would rise from its current level of $22.6 billion to $25.1 billion in 2002. For mass transit, the Senate amendment would increase contract authority from its current level of $4.8 billion to $5.5 billion in 2002.

The Bipartisan Budget Agreement assumes an extension of these fees, set to expire September 30, 1998, raising $0.2 billion over 1999–2002.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

Major programs in function

This function includes funding for community and regional development and disaster relief. The major programs are administered through a variety of agencies including the Department of Housing and Urban Development (HUD), Appalachian Regional Commission (ARC), Tennessee Valley Authority (TVA), Economic Development Administration (EDA), Bureau of Indian Affairs (BIA), Federal Emergency Management Agency (FEMA), and the Department of Agriculture (USDA).

House resolution

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	10,199	8,768	8,489	7,810	7,764	7,790
Outlays	12,137	10,387	10,902	10,986	11,350	8,429

The House resolution assumes $8.8 billion in budget authority [BA] and $10.4 billion in outlays for fiscal year 1998. Over the 5-year period, 1998 through 2002, the House resolution assumes $40.6 billion in BA and $52.1 in outlays.

The House resolution assumes $8.3 billion in discretionary budget authority [BA] and $10.0 billion in outlays in fiscal year 1998. Over the 5-year period, it assumes $39.1 in BA and $51.6 in outlays. The resolution assumes the Community Development Financial Institution [CDFI] Fund as a domestic discretionary priority, as defined in the Bipartisan Budget Agreement.

The House resolution makes no assumptions concerning mandatory spending in this function.

Senate amendment

Discretionary spending.—Discretionary spending in 1998 for this function would decrease by $1.3 billion in BA and $1.0 billion in outlays below the Budget Resolution Baseline, to $8.3 billion in BA and $10.0 billion in outlays. Over the five year period, discretionary spending would decrease to $7.6 billion in BA and $8.4 billion in outlays in 2002. The Senate amendment assumes total discretionary spending of $39.1 billion in BA and $51.6 billion in outlays over the five year period. The aggregate numbers in this function will support the overall level of spending assumed in the Budget Agreement. In order to meet those levels, specific program reductions and freezes may be required beyond the President's request.

The Senate amendment is $8.4 billion in BA and $1.0 billion in outlays below the President's 1998 request. The majority of the difference is due to the President's request of $5.8 billion for the emergency contingency fund and the President's $2.4 billion request for FEMA disaster relief. The Senate amendment does not assume the emergency contingency fund. The 1997 emergency supplemental in the Senate-passed bill and the House-reported bill includes the President's request of $2.4 billion for FEMA disaster relief, thus the Senate amendment does not assume the President's FEMA, disaster relief request of $2.4 billion in 1998. The Senate amendment does assume base non-emergency funding for FEMA disaster relief as requested by the President.

The Bipartisan Budget Agreement assumes the President's request of $125 million in BA and $63 million in outlays for the community development financial institution fund.

The Bipartisan Budget Agreement assumes the President's request of $0.8 billion for Tribal Priority Allocations, an increase of $0.1 billion over 1997. This program provides funds directly to tribes for tribal government operations and basic services such as law enforcement, child protection, education and road maintenance. Funding is also included in functions 300 and 500.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Community Development Block Grants (CDBG): The President's budget proposes $4.6 billion in BA and $4.7 billion in outlays, a decrease of $115 million in BA below the Budget Resolution Baseline and is essentially at a freeze in outlays. (2) Appalachian Regional Commission: The President's budget proposes $165 million in BA and $185 million in outlays, an increase of $5 million above 1997 in BA and a decrease of $9 million in outlays below 1997. In 1999 through 2002, the President's budget proposes $70 million per year.

Mandatory spending.—The Senate amendment assumes no changes in mandatory programs in this function.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT & SOCIAL SERVICES

Major programs in function

This function includes those activities designed to promote the acquiring of knowledge and skills, to provide social services for needy individuals, and for research directly related to these program areas. In general, the activities funded by this function are administered through the Departments of Labor, Health and Human Services, and Education.

House resolution

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	54,199	60,020	60,450	61,703	62,959	63,339

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Outlays	50,466	56,062	59,335	60,728	61,931	62,316

The House resolution provides $60.0 billion in budget authority for function 500 in fiscal year 1998 and $56.1 billion in outlays. Over 5 years, the resolution provides $308.5 billion in budget authority and $300.4 billion in outlays.

For discretionary programs in fiscal year 1998, this House resolution assumes $46.7 billion in budget authority [BA] and $43.2 billion in outlays. Over 5 years, it assumes $239.3 billion in BA and $232.7 billion in outlays.

The resolution assumes funding levels sufficient to meet the education priorities of Congress and the President. Among these priorities are Education Reform—including the Technology Literacy Challenge Fund—Bilingual and Immigrant Education, Pell Grant ($300 increase in 1998 maximum award amount to $3,000), child literacy initiatives consistent with the goals and the concepts of the President's America Reads Program, Head Start and Training and Employment Services—including Job Corps.

The largest mandatory program in Function 500 is the student loan program. The House resolution assumes savings of $1.8 billion in student loans by reducing excess guaranty agency reserves in the guaranteed loan program and reducing administrative costs in the direct loan program. Students will not be affected by these changes. The same number of loans will be available to students at no additional cost to the students or their parents. The volume of student loans will grow from $27 billion in 1997 to $36 billion in 2002. The number of student loans will increase from 7,463,000 to 8,605,000.

The specific policy assumptions are as follows:

Reduce Section 458 (Direct Loan Administrative Account). The plan saves $603 million in outlays from the administration of the Direct Loan program. The proposal does not cap the direct lending.

Eliminate $10 Direct Loan Fee. The plan eliminates the $10-per-loan subsidy to schools and alternate originators participating in the direct loan program.

Reclaim Excess Guaranty Agency Reserves. This is a modified version of the President's proposal to recall excess guaranty agency reserves. This proposal would recall $1 billion and maintain 98 percent reinsurance levels for guaranty agencies. The administration's proposal would recall $2.5 billion and have the Federal Government pay 100 percent of all default claims through direct Federal payments.

Senate amendment

Discretionary spending.—Discretionary spending in this function is a priority in the Bipartisan Budget Agreement. Discretionary spending in 1998 for this function would increase by $4.3 billion in BA and $2.8 billion in outlays over the 1997 level, to $46.7 billion in BA and $43.2 billion in outlays in 1998. By 2002, discretionary spending would grow by $6.8 billion in BA and $8.2

billion in outlays over the 1997 level, for a total of $49.2 billion in BA and $48.6 billion in outlays in 2002. Compared to the Budget Resolution Baseline, spending in this function would increase by $9.7 billion in BA and $5.8 billion in outlays over the next five years.

In order to work toward the statutory federal goal of providing 40 percent of the national average per pupil expenditure per disabled child, the Senate amendment assumes a $5 billion increase in Special Education over the next five years.

Pell Grants are a critical form of student financial assistance in that they target students from low income families. The Bipartisan Budget Agreement supports the President's request for an additional $8.6 billion for this program over the next five years, including bringing the maximum grant from $2,700 to $3,000.

For Head Start, a program which provides pre-school programming for disadvantaged children, the Bipartisan Budget Agreement provides for the President's request which calls for an additional $2.7 billion over the next five years.

The Bipartisan Budget Agreement provides funding for literacy programs consistent with the goals and concepts of the President's America Reads program.

The Bipartisan Budget Agreement provides, as a priority item, the President's request for the Technology Literacy Challenge Fund, which will provide $946 million over the next four years for teacher training; updated computer equipment in classrooms; Internet connections; and other online learning resources. The program is scheduled to sunset in 2001.

Bipartisan Budget Agreement provides, as a priority item, $446 million increase over the next five years for Bilingual and Immigrant Education programs to help limited English-proficient students and local education agencies with large numbers of immigrant students.

The Bipartisan Budget Agreement, according to the President's Budget, provides for growth at the rate of inflation for Job Corps, which provides basic education, training, work experience, and other support through primarily residential settings.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Terminate Public Broadcasting Facilities. Funding for this program, which provides grants to noncommercial entities for the planning and construction of broadcasting facilities throughout the United States, would be terminated in the President's Budget. (2) School Improvement Programs. The President's Budget proposes to terminate the Innovative Program Strategies Grant Program. (3) Children and Families Services Programs. The President's Budget assumes reductions totaling nearly $1.4 billion over the next five years in the following programs: Community Services Block Grant, Social Services Research and Demonstration, termination of Community Services Discretionary Activities, termination of National Youth Sports, and termination of the Community Food and Nutrition program. (4) Unemployment Trust Fund and Service Operations. Appropriations for this account could be reduced by replacing federal funds through the enactment of a new alien labor certification fee that was proposed in the President's Budget.

Mandatory spending.—A significant source of mandatory funding within Function 500 includes the student loan programs. The subsidy for student loans is expected to grow from $3.9 billion in 1998 to $4.1 billion in 2002. This federal subsidy will support $28.8 billion in student loan volume in 1998, growing to $35.8 billion in 2002.

Proposed savings in student loan programs provided in the Bipartisan Budget Agreement would not increase costs, reduce benefits, or limit access to loans for students and their families. The specific policies assumed in the Bipartisan Budget Agreement are intended to achieve an equitable balance in savings between the direct student loan program and the guaranteed student loan program.

The Bipartisan Budget Agreement provides for total savings in student loan programs of $1.8 billion over the next five years. Annual budget authority levels for the Section 458 Funds for Administrative Expenses account of the Federal Direct Student Loan Program, would be reduced for a five year savings of $603 million. It would eliminate the $10 per loan federal payment to schools and alternate originators who make direct loans. Savings of $160 million over five years. This proposal would return to the federal government $1 billion in excess guarantee agency reserves which are not necessary for guarantee agencies to carry out their essential functions, saving $1 billion over five years. The Bipartisan Budget Agreement would eliminate the mandatory vocational education appropriation under the Smith-Hughes Act of 1918, as is proposed in the President's Budget, for a savings of $29 million over five years.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with a technical adjustment with respect to function spending levels. The Conferees note that the past two budget resolutions have included provisions related to the costs of originating and servicing Direct Loans as well as FFELP Loans. This conference agreement assumes current law provisions related to these programs. The Conferees believe further discussion of scorekeeping of all federal and direct guarantee programs is necessary.

FUNCTION 550: HEALTH

Major programs in function

This function covers all health spending except that for Medicare, military health, and veterans' health. The major programs include Medicaid, health benefits for federal retirees, the National Institutes of Health, the Food and Drug Administration, the Health Resources and Services Administration, the Indian Health Service, the Centers for Disease Control, and the Substance Abuse and Mental Health Services Administration.

House resolution

FUNCTION 550: HEALTH

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	125,271	137,799	144,968	154,068	163,412	172,171
Outlays	127,421	137,767	144,944	153,947	163,135	171,727

For fiscal year 1998, the House resolution assumes total function 550 budget authority [BA] of $137.8 billion and outlays of $137.8 billion. Over the 5-year period 1998–2002, it assumes budget authority of $772.4 billion and outlays or $771.5 billion.

The House resolution provides $24.9 billion in budget authority and $24.6 billion in outlays in fiscal year 1998 for the Federal Government's discretionary health programs. Over the 5-year period 1998–2002, for function 550 discretionary programs it assumes budget authority of $122.8 billion and outlays of $123.2 billion.

Under the Medicaid reform assumed in the House resolution, Medicaid outlays would be $105.3 billion in fiscal year 1998 and $604.7 billion over 5 years. There would be no per capita cap on Federal Medicaid spending. The plan calls for $13.6 billion in Federal Medicaid net savings over 5 years. Savings are derived from reduced disproportionate share hospital payments and flexibility provisions.

Key components of the Medicaid reform assumptions are the following:

Disproportionate Share Hospital Payments. Medicaid disproportionate share hospital [DSH] payments are additional payment adjustments made to hospitals serving a relatively large (disproportionate) volume of Medicaid or low-income patients. In fiscal year 1997, estimated Medicaid DSH payments are $9.8 billion. DSH payments vary greatly across the States, with some spending more than $1,000 per low-income resident, and others spending much less. This proposal would achieve Medicaid savings through DSH reform.

State Medicaid Flexibility. The plan incorporates an unprecedented increase in State Medicaid flexibility. Key elements include provisions to allow States more flexibility in managing the Medicaid program, including repeal of the Boren Amendment, converting managed care and home/community based care waiver process to State Plan Amendment, and elimination of unnecessary administrative requirements.

Net Medicaid savings include $919 million for a higher Federal Medicaid match rate for the District of Columbia; $250 million for an inflation adjustment for programs in Puerto Rico and other territories; $1.5 billion to cover increased Medicaid cost under existing law due to the shift of home health care from Part A to Part B of Medicare and due to the maintenance of the Medicare Part B premium at 25 percent; and $1.5 billion to ease the impact of increasing Medicare premiums on low-income beneficiaries.

The resolution assumes no per-capita cap limits.

Additional components of mandatory spending include the following:

Children's Health Insurance Initiatives. Under the Bipartisan Budget Agreement, Federal financial support to increase health insurance coverage for children who are uninsured will be provided. The resolution assumes that authorizing committees will draft legislation to use the Federal funds assumed in this resolution in the most cost-effective manner possible. Options for their consideration would include: (a) modifications to existing programs, such as Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of the new, more strict definitions of childhood eligibility; (b) a capped mandatory spending program, such as grants to the States; a combination of (a) and (b); or other approaches. The resolution assumes that $16 billion will be spent over the next 5 years to provide up to 5 million additional children with health insurance coverage by 2002. These resources will be used in the most cost-effective manner possible to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served. These funds may not be used to decrease required savings.

Senate amendment

Discretionary spending.—The Senate amendment provides discretionary spending for this function in 1998 of $24.9 billion in BA and $24.6 billion in outlays. Compared to 1997, BA is $0.1 billion lower, and outlays are $0.8 billion higher. Over five years, discretionary spending in this function is $13.2 billion in BA and $10.0 billion in outlays below the Budget Resolution Baseline. Discretionary spending is $2.2 billion in BA and $1.4 billion in outlays below a five year freeze baseline. The Senate amendment assumes the National Institutes of Health will be given priority in terms of funding levels throughout the five year period.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required in programs in this function. These savings will be determined by the Appropriations Committees. The following are examples of possible reductions. The President's proposals to reduce funding for Health Professions and General Departmental Management; and reductions in funding for the Agency for Health Care Policy and Research.

Mandatory spending.—The Senate amendment includes net Medicaid savings of $13.6 billion over five years. Net Medicaid savings in the Senate amendment include a higher match for D.C., an inflation adjustment for programs in Puerto Rico and other territories, Part B premium interactions, and $1.5 billion to ease the impact of increasing Medicare premiums on low-income beneficiaries. The $13.6 billion in Medicaid savings do not reflect the health care investments for children's coverage, protections for legal immigrants under welfare reform, or the extension of veterans' Medicaid income protections. The Senate amendment includes savings derived from reduced disproportionate share payments and flexibility provisions. The Senate amendment includes provisions to allow States more flexibility in managing the Medicaid program, including repeal of the Boren amendment, converting current managed care and home/community-based care waivers to State Plan Amendment, and elimination of unnecessary administrative requirements.

The Senate amendment $16 billion over five years (to provide up to 5 million additional children with health insurance coverage by 2002). The funding could be used for one or both of the following, and for other possibilities if mutually agreeable: (1) Medicaid, including outreach activities to identify and enroll eligible children and providing 12-month continuous eligibility; and also to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility; and (2) A program of capped mandatory grants to States to finance health insurance coverage for uninsured children. The resources will be used in the most cost-effective manner possible to expand coverage and services for low-income and uninsured children with a goal of up to 5 million currently uninsured children being served.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 570: MEDICARE

Major programs in function

This function includes only the Medicare program. Medicare pays for medical services for 38.1 million senior citizens, disabled workers, and persons with end-stage renal disease. Medicare is administered by the Health Care Financing Administration, part of the Department of Health and Human Services.

House resolution

FUNCTION 570: MEDICARE

[in millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	190,792	201,620	212,073	225,540	239,636	251,548
Outlays	191,266	201,764	211,548	225,537	238,781	250,769

The House resolution assumes that spending for this function total $201.6 billion in budget authority and $201.8 billion in outlays for fiscal year 1998. The House resolution assumes that spending for this function total $1,130.4 billion in budget authority and $1,128.4 billion in outlays for fiscal years 1998–2002.

Function 570 discretionary spending consists of the administrative costs of the Medicare Part A and Part B programs. The House resolution assumes that discretionary spending for this function total $2.7 billion in budget authority and $2.7 billion in outlays for fiscal year 1998. The House resolution assumes that discretionary spending for this function total $13.4 billion in budget authority and $13.3 billion in outlays for fiscal years 1998–2002.

In accordance with the budget agreement between the administration and the congressional negotiators, this House resolution assumes the following:

Reduce projected Medicare spending by $115 billion over 5 years;

Extend the solvency of the Part A Trust Fund for at least 10 years through a combination of savings and structural reforms (including the home health reallocation);

Structural reforms will include provisions to give beneficiaries more choices among competing health plans, such as provider sponsored organizations and preferred provider organizations;

The Medicare program reforms provide beneficiaries with comparative information about their options, such as now provided Federal employees and annuitants in the FEHB program;

Maintain the Part B premium at 25 percent of program costs and phase in over 7 years the inclusion in the calculation of the Part B premium the portion cost of home health expenditures reallocated to Part B;

Reform managed care payment methodology to address geographic disparities that has limited HMO access in rural areas;

Reform payment methodology by establishing prospective payment systems for areas such as home health providers, skilled nursing facilities, and outpatient departments; and

Funding for new health benefits including: (1) expanded mammography coverage; (2) coverage for colorectal screenings; (3) coverage for diabetes self-management; and (4) higher payments to providers for preventive vaccinations to the extent it will lead to greater use by beneficiaries. Invest $4 billion over 5 years (and $20 billion over 10 years) to limit beneficiary copayments for outpatient services, unless there is a more cost-effective way to provide such services to beneficiaries as mutually agreed.

Senate amendment

Discretionary spending.—The Senate amendment assumes $2.7 billion in BA and outlays for discretionary spending in this function in 1998, which is $0.1 billion higher in BA compared to 1997 and essentially a freeze in outlays. Over five years, discretionary spending in this function is $1.5 billion in BA and $1.4 billion in outlays below the Budget Resolution Baseline and $0.4 billion in BA and outlays above a five year discretionary freeze.

Mandatory spending.—Under current law, net Medicare mandatory spending is estimated to grow from $188.6 billion in 1997 to $288.1 billion in 2002, for an average annual growth rate of 8.8 percent. On a per capita basis, spending is expected to increase from $4,949 in 1997 to $7,114 in 2002, for a 7.5 percent average annual growth rate.

The Bipartisan Budget Agreement includes a reduction of projected Medicare spending by $115 billion over five years, and by an estimated $434 billion over ten years. As well as an extension of solvency of the Part A Trust Fund for at least 10 years through a combination of savings and structural reforms (including the home health reallocation). Under the agreement, net Medicare spending will reach $248.1 billion in 2002, for an average annual growth rate of 5.6%. On a per capita basis, spending will reach $6,127 in 2002, for an average annual growth rate of 4.4%.

Structural reforms, in the Bipartisan Budget Agreement will include provisions to give beneficiaries more choices among competing private insurance options, such as provider sponsored organizations and preferred provider organizations. The Medicare program reforms will provide beneficiaries with comparative information about their options, such as now provided Federal employees and annuitants in the FEHB program. These proposals are similar to reforms sponsored by Senator Gregg, Senator Wyden, and others.

The Bipartisan Budget Agreement maintains the Part B premium permanently at 25 percent of program costs and phase in over seven years the inclusion in the calculation of the Part B premium the portion of home health expenditures reallocated to Part B. It reforms managed care payment methodology to address geographic disparities. It also reforms payment methodology by establishing prospective payment systems for areas such as home health providers, skilled nursing facilities, and outpatient departments.

Funding for new health benefits, in the Bipartisan Budget Agreement includes: (1) expanded mammography coverage; (2) coverage for colorectal screenings; (3) coverage for diabetes self-management; and (4) higher payments to providers for preventive vaccinations to the extent it will lead to greater use by beneficiaries. Invest $4 billion over five years (and $20 billion over ten years) to limit beneficiary copayments for outpatient services, unless there is a more cost-effective way to provide such services to beneficiaries as mutually agreed.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 600: INCOME SECURITY

Major programs in function

Function 600, Income Security, funds a broad range of programs including federal retirement programs, the major cash and in-kind welfare programs, housing programs and nutrition programs. These programs are administered by several agencies and departments including the Department of Health and Human Services, the Office of Personnel Management, the Social Security Administration, the Department of Housing and Urban Development and the Department of Agriculture.

House resolution

FUNCTION 600: INCOME SECURITY

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	228,802	239,032	254,090	269,566	275,145	286,945

FUNCTION 600: INCOME SECURITY—Continued

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Outlays	237,822	247,758	258,064	268,161	277,264	285,239

The House resolution assumes $239.0 billion in budget authority [BA] and $247.8 billion in outlays for fiscal year 1998. Over the 5-year period, from 1998 through 2002, the resolution assumes a total of $1.3 trillion in BA and $1.4 trillion in outlays.

The House resolution assumes that budget authority for discretionary programs will be $32.9 billion in 1998 and total $184.7 over the next 5 years. Likewise, outlays are estimated to be $41.3 billion in 1998 and $206.2 billion over the next 5 years. Included in these figures is the assumption that the requested level in the President's budget ($89 million) is provided for Unemployment Insurance [UI] integrity activities in addition to continuing integrity activities already funded in the base UI administrative grants to obtain these savings.

The present Section 8 Housing program will require large increases in resources just to maintain the system as it is now structured. The House resolution assumes adequate funding so these obligations can be met. This will entail renewing contracts on almost two million apartments for 1998 alone. By doing so, the Federal Government will be able to continue to provide assistance to those tenants who now receive it. The nature of the problem over time worsens, and long term structural reforms are needed. The House resolution assumes the maintenance of Section 8 assisted housing units at the 1997 level. Though this will entail an increase in resources, the resolution assumes this additional funding for renewals will not be used for a net increase in subsidized apartments, except for assistance extended to tenants displaced by the demolition of a dilapidated building or for other reasons. The House resolution also anticipates reforms will be passed by the House Banking Committee allowing rents on Section 8 projects to be reduced to market levels by reducing mortgages on many of these projects. Since these projects have federally insured mortgages reducing the rents associated with subsidized apartments, mortgage restructuring is essential to avert widespread defaults. The House resolution recognizes the need to address concerns related to the tax consequences of reducing many of these mortgages. When reducing the mortgage amount, many project owners may face large tax liabilities. Also, there may be a need for reforms of the bankruptcy code related to these particular projects. The resolution assumes the necessary committees of jurisdiction will work together to produce the appropriate legislative language.

The House resolution assumes several modifications to the Personal Responsibility and Work Opportunity Act of 1996, welfare reform enacted last year by Congress and the President. It restores eligibility for Supplemental Security Income [SSI] disability and Medicaid benefits for those noncitizens who entered the United States prior to August 23, 1996, or who entered after that date but were enrolled in the program by June 1, 1997. These individuals will be eligible to receive SSI disability benefits if they are now disabled, or if they become disabled in the future. The House resolution also assumes lengthening the period during which refugees and asylees may qualify for public benefits from 5 to 7 years after attaining their immigration status. But the balanced budget plan retains the ban on noncitizen eligibility for SSI benefits for nondisabled noncitizens, and for all noncitizens who entered the country after August 23, 1996 and who were not enrolled by June 1, 1997. Under the House resolution, public benefits remain available to noncitizens who have worked in the United States and paid taxes for at least 10 years, or who are veterans of the U.S. military or dependents of veterans, in addition to persons who become naturalized citizens.

The House resolution also creates additional workfare positions within the Food Stamp Employment and Training Program for able-bodied adults subject to new work requirements in the Food Stamp law enacted last year. The plan also permits Governors to offer hardship exemptions—in addition to other waivers under existing law—to 15 percent of those individuals in their States who would otherwise lose Food Stamp benefits because of their failure to comply with the work requirement. Total costs associated with these work slots and additional benefits resulting from them and from the new 15 percent exemptions are $1.5 billion over 5 years.

Although the balanced budget plan provides additional opportunities for obtaining workfare and adds an additional opportunity for governors to waive the work requirement in certain cases, the basic structure of the work requirement enacted last year remains intact. Under the welfare reform law, able bodied adults with no child care responsibilities must work at least 20 hours per week to continue eligibility for food stamps after they have received 3 months of benefits in any 3-year period. If the individual becomes employed and then is laid off during the period, they become eligible for another 3 months worth of benefits without the required 20 hours per week of work activity. Governors may request a waiver of the requirement for persons who live in areas of high unemployment, where jobs are unavailable.

The balanced budget plan also provides $3 billion in capped mandatory spending through 2001 to the Temporary Assistance to Needy Families [TANF] block grant, allocated to States through a formula and targeted within a state to areas with poverty and unemployment rates at least 20 percent higher than the state average. A share of funds would go to cities/counties with large poverty populations commensurate with the share of long-term welfare recipients in those jurisdictions.

These amounts for low-income restorations may not be used to decrease required savings.

The balanced budget plan accepts several recommendations made by the administration to address the problem of an estimated $5 billion in annual overpayments within the Earned Income Credit. Among these recommendations are reallocating IRS resources to police the credit, creating demonstration projects in four states that will examine alternative methods for providing the credit, and requiring “due diligence” in the preparation of returns claiming the credit on the part of tax preparers. Penalties for deliberate fraud will be increased, and a greater burden of proof will be required of taxpayers claiming the credit who have had their claims denied.

Together, these reforms are estimated to generate $124 million in savings over the next 5 years.

The resolution does not assume any delay in the payment of cost-of-living adjustments. Increased agency and employee contributions to the Federal retirement system are discussed in Function 950 and Revenues.

The House resolution assumes $624 million in Trust Fund savings over 5 years by increasing the ceiling on federal administrative Trust Funds to .5 percent of total covered benefits. A total of $100 million annually in trust fund receipts would still be permitted to flow into state trust fund accounts.

The balanced budget plan also generates $763 million in savings over 5 years by conducting more benefit integrity activities within the program aimed at detecting fraudulent Unemployment Insurance claims and underpayment of Unemployment Insurance taxes.

To provide low income Americans with a chance to obtain access to housing, the Federal Government contracts with private project owners to provide affordable rental units. The project owner receives Federal assistance payments as well as rent from the tenant, which is capped at 30 percent of the tenant's income. Currently, some low-income project owners receive subsidies for their units which are in excess of the market rates for comparable buildings. By reducing the annual adjustments the project owner receives each year for these units, the Federal Government can obtain significant savings.

This proposal is an extension of current law set to expire at the end of fiscal year 1997. It would reduce the annual adjustment for projects whose rents are currently above 120 percent of the fair market rent. It would also reduce the annual adjustment for those apartments where there has been no tenant turnover. The resolution assumes these reforms should be made permanent starting in fiscal year 1999.

Senate amendment

Discretionary spending.—Discretionary spending in 1998 for this function would increase by $6.3 billion in BA and $0.4 billion in outlays over the 1997 level, to $32.9 billion in BA and $41.3 billion in outlays. Comparing 1997 levels to those in 2002 under the reported resolution, spending would increase by $13.0 billion in BA (because of the requirements of additional BA to renew expiring section 8 housing contracts in place under current law), but would decrease by $0.1 billion in outlays by 2002 (baseline outlays increase by $5.2 billion from 1997 to 2002, but the Senate amendment would save $5.3 billion in 2002).

The Senate Amendment includes sufficient funding to renew all section 8 contracts that expire over the next five years, while reflecting savings from policies proposed in the President's budget, which will guarantee that all those currently receiving assistance (or waiting for an existing unit to become available) will continue to receive such assistance.

The Senate amendment assumes that basic administrative funds are frozen, but that additional funds will be available for payment integrity and anti-fraud actions. The additional payment integrity activities would generate $763 million in entitlement unemployment insurance savings. This policy is part of the President's 1998 Budget and saves an additional $1.6 billion in discretionary costs.

The aggregate numbers in this function will support the overall level of spending assumed in the Bipartisan Budget Agreement. In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Public housing funds and other housing programs. The President's Budget would freeze at the 1997 appropriation level the funding for public housing. The public housing reauthorization changes expected to be passed by the Congress would facilitate the operation of public housing programs in a freeze environment. (2) Housing preservation. The President's Budget would end funding for housing preservation. (3) Other housing programs. The President's Budget would reduce funding below baseline levels for the HOME program, housing for special populations, revitalization of distressed public housing, HUD salaries and expenses, homeless assistance grants, drug elimination grants, very low income repair grants, mutual self-help grants, and rural housing preservation grants. (4) Food Program Administration. The costs of federal administration of food programs—food stamps, child nutrition—would be frozen at the 1997 level. These costs can be frozen since most food assistance program caseloads have declined over the past three years, and actual spending on entitlement nutrition programs in 1997 will be lower than 1996 spending. This proposal is part of the President's Budget and would save $62 million over five years. (5) Railroad Retirement. The President's proposals for Railroad Retirement Board administrative expenses and for windfall benefit funding would yield savings relative to the Budget Resolution Baseline of $0.4 billion in BA and outlays over the next five years. The windfall benefit funding in the President's budget is not a cut in benefits but an adjustment to the baseline reflecting the natural decline in the number of eligible beneficiaries for this closed-group benefit.

Mandatory spending.—Of total spending in this function for 1997, $197.0 billion (or 83 percent) is spent on mandatory programs. Six programs account for $165.9 billion in outlays in this function—$90.9 billion funds the major cash and in-kind means tested programs of Food Stamps, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) and outlays for the Earned Income Tax Credit (EITC). The balance of mandatory outlays, $75.0 billion is spent on federal retirement programs and $24.5 billion is spent on unemployment insurance.

The Bipartisan Budget Agreement restores SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who entered the U.S. prior to August 23, 1996. Those disabled legal immigrants who entered after the August 22, 1996, and are on the rolls before June 1, 1997 shall not be removed. This policy will cost $9.4 billion which includes $1.6 billion in Medicaid costs found in function 550.

The welfare reform bill exempted refugees and asylees from the ban on government assistance for five years. The agreement extends the refugee and asylee exemption from five years to seven years. This policy costs $300 million over five years.

The Bipartisan Budget Agreement $750 million in new capped mandatory funding to create additional work slots for individuals subject to the time limits. In addition, existing food stamps employment and training funds will be redirected to fund work slots. The agreement also allows states to exempt up to 15 percent of the individuals who would lose benefits because of the time limits (beyond current waiver policy) at a cost of $500 million over five years.

The Bipartisan Budget Agreement adds $3 billion over the next four years to the Temporary Assistance for Needy Families (TANF) block grant. These additional funds will be distributed through a formula and targeted to areas with poverty and unemployment at least 20 percent higher than the state average. A share of the funds would go to cities/counties with large poverty populations commensurate with the share of long-term welfare recipients in those jurisdictions.

The Bipartisan Budget Agreement increases the ceilings of the Federal FUTA-funded accounts in the Unemployment Trust Fund to increase solvency. This policy saves $624 million over five years.

The Bipartisan Budget Agreement includes savings from several compliance initiative concurrent with an IRS study finding a 23 percent error rate. Other mutually acceptable EITC reforms targeted to reducing noncompliance and fraud may also be considered. The savings from the President's initiatives are approximately $124 million over five years.

The Senate amendment assumes continuation of proposals in the President's Budget to limit certain automatic increases in payments made to section 8 landlords from 1999–2002.

The Bipartisan Budget Agreement assumes the President's proposal of a 1.51 percent increase in federal agency contributions for all employees in the Civil Service Retirement System (CSRS), excluding the Postal Service, for a savings of $2.9 billion (shown in Function 950, Undistributed Offsetting Receipts).

The Bipartisan Budget Agreement assumes the President's proposal for a 0.5 percentage point increase in the federal employee's current retirement contribution rate. Rates for employees in the Civil Service Retirement System (CSRS) will increase from 7 percent to 7.5 percent, and rates for employees in the Federal Employees Retirement System (FERS) will increase from 0.8 to 1.3 percent, both on a phased-in basis beginning in 1999, according to the following schedule: 0.25 percent in 1999, 0.15 percent in 2000, and 0.10 percent in 2001. Total savings would amount to $1.8 billion (shown in Revenues).

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 650: SOCIAL SECURITY

Major programs in function

This function includes only Social Security old age, survivors, and disability insurance (OASDI). Benefits are paid from the Social Security trust funds and financed primarily with payroll taxes. For purposes of the Budget Enforcement Act, the Social Security trust funds are off-budget. However, the administrative expenses of the Social Security Administration (SSA) are on-budget and remain within the caps on discretionary spending.

House resolution

FUNCTION 650: SOCIAL SECURITY

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	363,175	380,781	399,389	419,400	440,113	463,505
Outlays	366,405	384,102	402,811	422,770	443,893	466,786

The House resolution assumes no changes in Social Security benefits.

Senate amendment

Discretionary spending.—The Senate amendment provides discretionary spending in 1998 for this function at $3.3 billion in BA and $3.4 billion in outlays, which is $0.2 billion below the 1997 level for BA and $0.1 billion lower for outlays. Over the five year period, discretionary spending is $3.2 billion in BA and $2.8 billion in outlays below the Budget Resolution Baseline and $1.4 billion in BA and $1.0 billion in outlays below a freeze baseline.

Mandatory Spending.—The Senate amendment assumes no changes from current law for mandatory spending in this function.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 700: VETERAN AFFAIRS

Major programs in function

Function 700 funds the Department of Veteran Affairs which oversees programs for veterans of the armed forces. Compensation, pension and life insurance programs address the income security needs of disabled and indigent veterans as well as their survivors. Major education, training and rehabilitation and readjustment programs include the Montgomery GI bill, Veterans Educational Assistance program and the Vocational Rehabilitation and Counseling program. Veterans are also eligible for guaranteed home and farm loans. Roughly half of all spending on veterans goes to the Veterans Health Administration which comprises over 700 hospitals, nursing homes, domiciliaries and outpatient clinics.

House resolution

FUNCTION 700: VETERANS' BENEFITS AND SERVICES

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	39,125	40,545	41,466	41,740	42,093	42,282
Outlays	39,445	41,337	41,700	41,908	42,215	42,436

The VA administers a vast health care system for veterans who meet certain eligibility criteria. Care is provided largely in facilities owned and operated by the VA. In 1996, the VA-operated facilities included 173 medical centers, 130 nursing home care units, 375 outpatient clinics, and 39 domiciliaries. In recent years, about 2.8 million veterans used the VA health care system, representing just over 10 percent of the total veteran population.

The VA pays monthly cash benefits to veterans who have service-connected disabilities. The basic amounts of compensation paid are based on percentage-of-disability rating (multiples of 10 percentage points) assigned to the veteran. In fiscal year 1998, about 2.6 million veterans will receive disability compensation, with Federal obligations totaling about $16.7 billion. The VA pays monthly cash pension benefits to about 714 thousand veterans or their survivors. These pension obligations will total about $3.0 billion in fiscal year 1998.

For fiscal year 1998, the House resolution assumes total function 700 budget authority of $40.5 billion and outlays of $41.3 billion. Over the 5-year period 1998–2002, it assumes budget authority of $208.1 billion and outlays of $209.6 billion.

The House resolution assumes funding of $18.5 billion in budget authority [BA] and $19.3 billion in outlays in fiscal year 1998 for the Federal Government's discretionary veteran's programs. Over the 5-year period 1998–2002, for Function 700 discretionary programs it assumes budget authority of $91.4 billion and outlays of $92.2 billion.

In addition to these sums, under the Bipartisan Budget Agreement, VA medical care will be able to retain third party insurance and user fees to partially offset the cost of care provided in VA facilities, CBO estimates that this will supplement budget authority by $604 million for fiscal year 1998.

The House resolution assumes funding of $22.1 billion in budget authority and $22.1 billion in outlays in fiscal year 1998 for the Federal Government's mandatory veteran's programs. Over the 5-year period 1998–2002, for Function 700 mandatory programs it assumes budget authority of $116.8 billion and outlays of $117.4 billion. The following policy assumptions are made:

Round down the VA compensation cola to the nearest whole dollar;

Extend expiring provisions of current law that sunset in 1998. This assumption assumes permanently extending the following provisions of current law that will otherwise expire in 1998: income verification for pension eligibility; the pension limit for persons in Medicaid nursing homes; and the three expiring OBRA provisions of VA housing loan fees and default procedures; and

Other Provisions. The resolution also assumes the acceptance of the administration's legislative proposal to allow VA Medical Care to retain user fees and third party collections to offset the cost of care provided in VA facilities starting October 1, 1997. The resolution also assumes repeal of the prohibition on home loan debt collections, extending real estate mortgage investment conduits, and an increase in the fee for non-veterans using VA's vendee loan program.

Senate amendment.

Discretionary spending.—In 1998, discretionary spending is assumed to decrease by $0.4 billion in BA but increase by $0.1 billion in outlays over the 1997 level to $18.5 billion in BA and $19.3 billion in outlays. Over the next five years, spending is assumed to decrease modestly to $18.0 billion in BA and outlays. The discretionary funding level will be augmented by converting the receipts of the Medical Care Cost Recovery fund into additional spending for the Veteran Hospital system. The shift of offsetting receipts from mandatory spending to discretionary spending has been incorporated into the Budget Committee's adjusted baseline. Over the next five years the number of veterans will continue to decline and after 1999, the over-65 veteran population will decrease.

The aggregate numbers in this function will support the overall level of spending assumed in the Budget Agreement. In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees.

Examples of possible reductions include the following: (1) Medical Administration and Miscellaneous Expenditures. The President's Budget proposes $40 million in savings from freezing the Medical Administration account from the Budget Resolution Baseline. (2) Construction of Medical Facilities. Adopting the President's proposal of funding no new major construction but providing for renovations and repair of existing facilities would save about $800 million over five years compared to the baseline. (3) General Operating Expenses. Freeze General Operating Expenses (GOE) at the 1997 level. This proposal was part of the President's Budget and saves $395 million over five years from the Budget Resolution Baseline.

Mandatory spending.—Spending on mandatory veterans programs will rise by 23 percent over the next five years because of: cost-of-living increases, regulatory expansion of eligible populations, and a growing veteran population over the short term. Mandatory compensation benefits will peak in 2005 and gradually decline. Compensation and pension benefits will rise with inflation, but the overall veteran population will begin declining shortly after 2000. Starting in 1999 the over-65 veteran population will begin to decline. Finally, there have been recent administrative actions that have expanded eligibility for compensation, especially the Vietnam-era population.

A provision in both the Senate amendment and the Bipartisan Budget Agreement extends expiring provisions of OBRA 1993: Medical Care. (1) recovery of third party insurance costs, a $2 co-pay for prescription drugs and a per diem for hospital care, and (2) verification of income for medical care determination. The extensions of current law were part of the President's Budget and the 1997 budget resolution. Cumulatively the extensions add $1 billion to the Medical Care Cost Recovery fund which is transferred to discretionary spending. In addition the Senate amendment assumes savings from the mandatory administrative costs of collecting the co-pays and per diems, saving $641 million over five years.

The Senate amendment and the Bipartisan Budget Agreement extend expiring provisions of OBRA 1993: Housing Fees. Permanently extends (1) .75% home loan fee, (2) 3% fee on multiple use and (3) resale loss formula. In addition the Senate amendment and the Bipartisan Budget Agreement includes the President's proposal to charge non-veterans a fee when buying VA held properties to cover the costs of the program. In all the extended fees and new fees save $90 million over five years.

Both the Senate amendment and the Bipartisan Budget Agreement extend expiring provisions of OBRA 1993: Pension Limitation for Veterans in Medicaid Nursing Homes. Extends an expiring provision of law that limits pension benefits to $90 per month for veterans residing in Medicaid paid nursing homes. Saves $677 million over five years net of increased Medicaid costs.

The Secretary of the Veterans' Administration lacks authority to withhold compensation payments for veterans' delinquent on housing loans. The Senate amendment the Secretary to withhold a portion of VA payments for veterans delinquent on loan payments. This proposal is part of the President's Budget and the 1997 budget resolution and saves $90 million in 1998.

The Secretary has authority to bundle VA-backed mortgages into Real Estate Mortgage Investment Conduits (REMICs). REMICs are securities sold to investors which are carry the full faith and credit of the United States and command lower interest rates. The Senate amendment assumes an extension of current law indefinitely, and is part of the President's Budget and the 1997 Budget Resolution. This proposal saves $5 million per year and $25 million over five years.

Compensation and Pension beneficiaries receive annual Cost of Living Allowances which are tied to the Consumer Price Index (CPI). The Senate amendment assumes extension of current law and rounds down the COLA increase per beneficiary to the nearest whole dollar. This proposal is part of the President's Budget and the 1997 Budget Resolution. Rounding down COLA's saves $391 million over five years.

Conference agreement.

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 750: ADMINISTRATION OF JUSTICE

Major programs in function

Function 750 includes funding for federal law enforcement activities, including criminal investigations by the Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA), border enforcement and the control of illegal immigration by the Customs Service and Immigration and Naturalization Service (INS), as well as funding for prison construction, drug treatment, crime prevention programs and the federal Judiciary.

House resolution.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	23,506	24,765	25,120	24,178	24,354	24,883
Outlays	20,744	22,609	24,476	25,240	25,901	24,879

The House resolution assumes $24.8 billion in budget authority and $22.6 billion in outlays will be provided in fiscal year 1998, and $123.3 billion in budget authority and $123.1 billion in outlays for 1998–2002. This amount assumes the Bipartisan Budget Agreement.

For discretionary programs, the House resolution assumes $24.4 billion in budget authority and $22.2 billion in outlays for fiscal year 1998, and $121.9 billion in budget authority and $121.8 billion in outlays for 1998–2002.

Included in the total discretionary funding for this function is the Violent Crime Reduction Trust Fund which, the House resolution assumes $5.500 billion in budget authority and $3.592 billion in outlays for fiscal year 1998, and $24.7 billion in budget authority and $24.6 billion in outlays for 1998–2002. The Bipartisan Budget Agreement assumes the President's level for the trust fund.

The House resolution makes no mandatory assumptions in this function.

Senate amendment.

Discretionary spending.—Discretionary spending in Function 750 Administration of Justice is a priority function in the Bipartisan Budget Agreement.

Discretionary spending in 1998 for this function would increase by $1.5 billion in BA and $1.8 in outlays over the 1997 level, to $24.4 billion in BA and $22.2 billion in outlays. Over the five year period, spending would increase to $24.7 billion in BA and $25.7 billion in outlays by 2002. The Administration of Justice function contains the Violent Crime Reduction Trust Fund programs which will expire after 2000 under current law. The Senate amendment retains current law on separate violent crime reduction trust fund caps as assumed in the agreement.

In general the Bipartisan Budget Agreement assumes continued investments in federal and state law enforcement. Ongoing programs, including general fund programs, are generally assumed to increase with inflation. Several programs including the INS, FBI, DEA and Bureau of Justice Assistance will receive funds over baseline. The Bipartisan Budget Agreement assumes major investments in additional personnel to fight illegal immigration especially along the Southwest border, increased resources to combat and adjudicate drug trafficking and violent crime, additional funding to modernize and maintain law enforcement equipment and facilities, additional resources to fight juvenile crime, and extra funding to combat acts of international and domestic terror.

The Senate amendment assumes adequate funding for federal law enforcement agencies responsible for the control of illegal immigration and drugs, especially the Customs Service, the Immigration and Naturalization Service and the Drug Enforcement Administration. There is a particular emphasis for fully funding the Southwest border initiatives, proper staffing levels including support staff, and assuring access to the latest and best technologies for fighting drugs.

This program was created by the Violent Crime Reduction Act to automate paper-bound state legal systems. The Senate amendment assumes the program is terminated once the automation goals are complete. This proposal saves roughly $100 million after from 2000 to 2002.

The state prison construction program was created with the Violent Crime Trust Fund. States currently receive $750 million per year. The Senate amendment assumes sufficient spending to achieve the prison construction program goals. This proposal saves roughly $2.3 billion from 2000 to 2002 compared to the baseline.

The COPS program provides states with seed money to hire beat policemen. The goal of the program is to pay for an additional 100,000 cops on the beat over five years. The Senate amendment provides sufficient funding to meet the goal of current law. The Senate amendment also assumes that states will continue receiving assistance from the State and Local Law Enforcement Block Grant which focuses resources on areas of high crime.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 800: GENERAL GOVERNMENT

Major programs in function

Function 800 consists of the activities of the Legislative Branch, the Executive Office of the President, U.S. Treasury fiscal operations (including the Internal Revenue Service), personnel and property management, and general purpose fiscal assistance to states, localities, and U.S. territories. For 1997 discretionary spending for Function 800 will be approximately 84 percent of total spending for the function. About 60 percent of the discretionary spending is for the Internal Revenue Service. Slightly more than half of the mandatory spending is attributed to the Treasury claims fund. The remainder is primarily payments to states, localities, and Puerto Rico.

House resolution

FUNCTION 800: GENERAL GOVERNMENT

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget authority	13,987	14,711	14,444	13,977	13,675	13,105
Outlays	13,881	13,959	14,363	14,727	14,131	13,100

The House resolution assumes $14.7 billion in total budget authority and $14.0 billion in outlays in fiscal year 1998. Over 5 years, it assumes $69.9 billion in total budget authority and $70.3 in outlays.

The House resolution assumes $12.6 billion in budget authority [BA] and $11.9 billion in outlays for discretionary programs in fiscal year 1998. Over 5 years, it assumes $59.6 billion in BA and $59.8 billion in outlays.

The House resolution assumes $2.1 billion in mandatory budget authority [BA] and $2.1 billion in mandatory outlays in fiscal year 1998. Over 5 years, it assumes $10.3 billion in mandatory budget authority [BA] and $10.5 billion in outlays. The resolution assumes unspecified asset sales of $540 million in 2002.

Senate amendment

Discretionary spending.—Discretionary spending for this function will total $59.6 billion in budget authority and $59.8 billion in outlays from 1998–2002. For 1998, spending will increase by $0.8 billion in budget authority from the 1997 level to $12.6 billion; 1998 outlays will remain constant at $11.9 billion. Compared to the Budget Resolution Baseline, the Senate amendment will save $5.7 billion in budget authority and $5.1 billion in outlays over five years.

In order to meet the Bipartisan Budget Agreement's discretionary spending limits, savings will be required from programs in this function. These savings will be determined by the Appropriation Committees. Following are examples of possible reductions.

The President has proposed aiding the District of Columbia through a plan which combines new mandatory spending, new tax breaks, and decreased discretionary spending. Mandatory spending for increased Medicaid benefits (see Function 550) would total $900 million over five years. Targeted tax breaks for the District would cost $260 million over five years (see Revenues). Finally, discretionary spending for a federal takeover of a portion of the District's justice, tax collection, and transportation responsibilities would total $2.8 billion over five years. In turn, annual payments to the District would be terminated, saving $3.9 billion over five years. Under this plan, Function 800 discretionary spending would decrease by $1.1 billion over five years compared to the Budget Resolution Baseline.

The Federal Buildings Fund is a quasi-revolving fund which charges agencies for rent and then uses the proceeds for rent, building operations, repairs, and new construction. In addition, a relatively small amount is appropriated each year to bolster this fund. The President has proposed eliminating the annual appropriation by 1999, which would save $2.0 billion over five years compared to the baseline.

The President has proposed holding the GSA, the National Archives and Records Administration, and central personnel management slightly below or at the 1997 level, which would save $362 million over five years compared to the baseline.

The President has proposed holding the Treasury's building repair and restoration appropriation, the Bureau of Public Debt, and the salaries and expenses of the Departmental Offices (which provide basic support to the Secretary of the Treasury) slightly below or at the 1997 level. This would save $269 million over five years compared to the baseline.

The majority of the remaining spending reductions in this function could come from the IRS, which will account for 60 percent of Function 800 discretionary spending in 1997. The IRS budget rose 32 percent in real terms from 1985 to 1997, and GAO has identified areas where efficiencies can be made.

Mandatory spending.—Mandatory spending for this function will total $10.5 billion from 1998–2002, $0.5 billion below the baseline. Of this total, $7.5 billion is for legal payments to harmed savings and loans institutions. Last year, the Supreme Court ruled that a 1989 federal law broke an agreement between the federal government and a savings and loan institution. Mandatory spending in this function could be offset by $0.5 billion by selling unspecified government assets.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 900: NET INTEREST

Major programs in function

Net interest is the interest paid on the Federal public debt, minus the interest income received. Function 900 is a mandatory payment, with no discretionary components.

House resolution

FUNCTION 900: NET INTEREST

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2001
Budget authority	247,639	248,578	252,029	247,884	241,899	236,877
Outlays	247,639	248,578	252,029	247,884	241,899	236,877

Senate amendment

The Senate Resolution assumes the levels provided for in the Bipartisan Budget Agreement.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

FUNCTION 920: ALLOWANCES

Conference amendment

Function 920 displays the budgetary effects of proposals or assumptions that cannot be easily distributed across other budget functions. There are no assumptions in this function.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

Major programs in function

Function 950 records offsetting receipts (receipts, not federal revenues or taxes, that the budget shows as offsets to spending programs) that are too large to record in other budget functions. Such receipts are either intrabudgetary (a payment from one federal agency to another, such as agency payments to the retirement trust funds) or proprietary (a payment from the public for some type of business transaction with the government). The main types of receipts recorded as "undistributed" in this function are—the payments federal agencies make to the retirement trust funds for their employees, payments made by companies for the right to explore and produce oil and gas on the Outer Continental Shelf, and payments by those who bid for the right to buy or use the public property or resources, such as the electromagnetic spectrum.

House resolution

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

[In millions of dollars]

	1997 est.	1998	1999	2000	2001	2002
Budget Authority	−47,436	−48,798	−44,437	−45,996	−50,008	−64,098
Outlays	−47,436	−48,798	−44,437	−45,996	−50,008	−64,098

The budget agreement calls for $26.3 billion in additional receipts through actions involving the electromagnetic spectrum.

The budget agreement assumes an increase in Federal agency contributions for the Civil Service Retirement System [CSRS] (except for the Postal Service and District of Columbia) of 1.51 percentage points effective October 1, 1997 through September 30, 2002.

Senate amendment

Mandatory spending.—The authority (provided for the first time by OBRA 93) of the Federal Communications Commission (FCC) to auction spectrum in certain instances (mutually-exclusive, subscription-based services) is about to expire (in 1998). Thus far, FCC auctions have yielded more than $20 billion in winning bids that would not have occurred using the previous methods of assigning licenses (lottery or comparative hearing). The Bipartisan Budget Agreement would extend the FCC auction authority and broaden it to include any license sought by a private business.

As assumed in the President's Budget and the 1996 and 1997 budget resolutions, the Bipartisan Budget Agreement would direct the FCC to reallocate 100 megahertz of spectrum reserved for private applications as well as 20 megahertz now used by the government to new applications and auction it. Bipartisan Budget Agreement proposes to auction a portion of channels 60–69. Because these channels will not be necessary under the current FCC plan for the transition from analog to digital television, the President's Budget proposes to auction a portion of the spectrum covered by these channels (with the balance allocated to public safety applications) for new commercial applications.

The President proposes to codify current FCC plans to reclaim surplus analog broadcast spectrum after broadcasters have migrated to new digital channels that the FCC has given broadcasters at no charge.

The President proposes to require the FCC to award new generations of toll-free vanity telephone numbers by auction.

As authorized by current law, a specific charge would be imposed on entities who receive free spectrum for the development of digital television but use it for certain other purposes.

The President's Budget proposes to increase the contribution of federal agencies to the Civil Service Retirement Trust Fund by 1.51 percentage points.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. Because the dollar amounts are virtually identical in the House resolution and the Senate amendment, the House recedes to the Senate with respect to function spending levels.

B. Revenues

House resolution

Under the House resolution, $1,602 billion in total revenues in 1998 will grow by 18.0 percent to $1,890 billion in 2002, totaling $288 billion over 4 years as determined by the Bipartisan Budget Agreement. Absent changes in law, revenues will grow instead by 18.7 percent.

The House resolution assumes that the cost of the tax relief package will be offset partially with revenues from excise taxes on aviation services. The Committee is aware that various options for alternative tax structures in part or all of the current aviation excise taxes are being studied. The Committee further is aware that the Committee on Ways and Means will have to determine any future tax structure. To ensure that the underlying assumptions of the House resolution are met, revenues resulting from any modification of the current aviation excise taxes should be no less than the Federal revenue that would be produced by an extension, without change, of the current taxes.

The committee's recommended baseline revenues are based on CBO's March 1997 baseline, corrected for additions to revenue to reflect increased actual fiscal year 1997 income tax collections, and assumptions on technical price measure corrections. (As explained in the section on economic assumptions, these are not legislated changes in the CPI).

The recommended revenues reflect policy changes which are a net tax cut package revenue stream, as provided by the Joint Committee on Taxation [JCT], offset by revenues from the Airport and Airway Trust Fund taxes (which include taxes on tickets, departures, cargo and fuel) in current law; a 0.5 percentage point increase in Federal employee retirement contributions phased in over three years and beginning in fiscal year 1999; and the revenue portion of Earned Income Credit compliance reforms. The last assumption is described more fully in Function 600.

Senate amendment

Federal revenues are taxes and other collections from the public that result from the government's sovereign or governmental powers. Federal revenues include individual income taxes, corporate income taxes, social insurance taxes, excise taxes, estate and gift taxes, customs duties and miscellaneous receipts (which include deposits of earnings by the Federal Reserve System, fines, penalties, fees for regulatory services, and others).

1998 Budget Resolution Revenues 1998–2002

[5-year total, $ billions]

Budget Resolution Baseline	$8,772.8
−Net Tax Cut	−85.0
+Other Provisions Affecting Revenues	+1.9
=Net Revenue Change from Baseline	−83.1
1998 Budget Resolution Revenues	8,689.6

The Bipartisan Budget Agreement assumes a net tax cut of $85 billion over the next five years and not more than $250 billion over the next ten years, to provide tax relief to American families. Under the Agreement, revenues would continue to grow, from $1,554.9 billion in 1997 to $1,890.4 billion in 2002, an increase of $335.5 billion over the five year period.

As always, the Ways and Means Committee in the House and the Finance Committee in the Senate will determine the specific amounts and structure of the tax relief package. The tax-writing committees will be required to balance the interests and desires of many parties (while protecting the interests of taxpayers generally) in crafting the tax cut within the context of the goals adopted by the Bipartisan Budget Agreement. The Agreement establishes the following guidelines for the tax package:

> The level of tax cuts provide enough room for broad-based capital gains tax reductions, significant estate tax reform, a $500 per child tax credit, and expansion of IRAs;
>
> The committees of jurisdiction shall include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit. The tax package should be consistent with the objectives put forward in the President's HOPE scholarship and tuition tax deduction proposals to assist middle-class parents;

The House and Senate Leadership will seek to include other proposals from the President's 1998 budget (e.g. the welfare-to-work-tax credit, capital gains tax relief for home sales, enterprise zone and enterprise community proposals, brownfields legislation, foreign sales corporation (FSC) treatment of software, and tax incentives designed to spur economic growth in the District of Columbia), as well as various pending congressional tax proposals;

The tax cuts shall not cause costs to explode in the outyears;

Reforms to the Earned Income Tax Credit (EITC) or other programs designed to benefit primarily lower-income individuals, as well as revenues from extension of the Superfund tax shall not be used to offset the costs of the tax cuts; and,

The tax estimating staffs at Treasury and the Joint Committee on Taxation shall continue to consult and share information necessary to understand fully the basis of their revenue estimates and to minimize revenue estimating differences.

OTHER PROVISIONS AFFECTING REVENUES IN THE BUDGET RESOLUTION

Revenue effects of the following two assumptions are not included in the $85 billion net tax cut number.

The Agreement assumes the President's April 1997 proposed reforms to the EITC to combat fraud and noncompliance, and the President's 1998 budget proposal to increase employee contributions to CSRS and FERS by 0.5 percent of base pay in three steps. Contributions would increase by 0.25 percent of base pay on January 1, 1999, another 0.15 percent on January 1, 2000 and a final 0.10 percent on January 1, 2001. These higher contribution rates would be effective through 2002; on January 1, 2003, contribution rates would return to current law levels.

Conference agreement

The conference agreement reflects the provisions of the Bipartisan Budget Agreement. The revenue assumptions in the conference agreement also incorporate the tax agreements spelled out in the following letters.

TAX LETTER 1

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1997.

The Honorable WILLIAM J. CLINTON,
President of the United States,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We would like to take this opportunity to confirm important aspects of the Balanced Budget Agreement. It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007. We believe these levels provide enough room for important reforms, including broad-based permanent capital gains tax reductions, significant death tax relief, $500 per child tax credit, and expansion of IRAs.

In the course of drafting the legislation to implement the balanced budget plan, there are some additional areas that we want to be sure the committees of jurisdiction consider. Specifically, it was agreed that the package must include tax relief of roughly $35 billion over five years for post-secondary education, including a deduction and a tax credit. We believe this package should be consistent with the objectives put forward in the HOPE scholarship and tuition tax proposals contained in the Administration's FY 1998 budget to assist middle-class parents.

Additionally, the House and Senate Leadership will seek to include various proposals in the Administration's FY 1998 budget (e.g., the welfare-to-work tax credit, capital gains tax relief for home sales, the Administration's EZ/EC proposals, brownfields legislation, FSC software, and tax incentives designed to spur economic growth in the District of Columbia), as well as various pending congressional tax proposals.

In this context, it should be noted that the tax-writing committees will be required to balance the interests and desires of many parties in crafting tax legislation within the context of the net tax reduction goals which have been adopted, while at the same time protecting the interests of taxpayers generally.

We stand to work with you toward these ends. Thank you very much for your cooperation.

Sincerely,

NEWT GINGRICH,
Speaker.
TRENT LOTT,
Senate Majority Leader.

TAX LETTER 2

CONGRESS OF THE UNITED STATES,
Washington, DC, May 15, 1997.

Mr. ERSKINE BOWLES,
Chief of Staff to the President,
The White House, Washington, DC.

DEAR MR. BOWLES: We are writing to express our desire for continued cooperation between Congressional staff and the staff of the various Administration agencies during the development of the current budget agreement.

Much of the most difficult work in connection with the budget agreement will involve the development of the revenue provisions that will satisfy the parameters of the agreement. Historically, the staff of the Joint Committee on Taxation has provided technical legal and quantitative support to the House and Senate. The Budget Act requires the use of Joint Committee on Taxation revenue estimates. Ken Kies and his staff are committed to facilitating our work on the tax provisions of this budget agreement. You can be assured that they will cooperate with Administration counterparts in receiving Administration input as they carry out their statutory responsibilities.

The revenue estimating staffs of the Joint Committee on Taxation and the Office of Tax Analysis at Treasury have a long history of cooperation and communication among analysts. It is our understanding that steps have already been taken to insure that the cooperative efforts of these two staffs will be intensified during the current budget process. It is also our understanding that the professional staffs at the Office of Tax Analysis at Treasury and the Joint Committee on Taxation will consult and share information necessary to understand fully the basis of their revenue estimates and to minimize revenue estimating differences. The proposal shall not cause costs to explode in the outyears.

Now that we have agreed upon the overall parameters of this significant agreement, an inordinate number of details concerning specific provisions must be drafted and analyzed by the JCT and the committees of jurisdiction. We look forward to working with the Administration.

Sincerely,

NEWT GINGRICH,
Speaker.
TRENT LOTT,
Senate Majority Leader.

TAX LETTER 3

CONGRESS OF THE UNITED STATES,
Washington, DC, June 4, 1997.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee,
Washington, DC.

Hon. JOHN R. KASICH,
Chairman, House Budget Committee,
Washington, DC.

DEAR PETE AND JOHN: Our Committees will soon begin marking up tax legislation to meet the reconciliation directives of the 1998 Budget Resolution. We will meet the Resolution's instructions of reducing revenues by $85 billion over the five year period 1998–2002 and by no more than $20.5 billion in 2002.

Furthermore, we can assure you that, consistent with the May 15, 1997 letter from the Speaker of the House and the Majority Leader of the Senate to the President which stated, "It was agreed that the net tax cut shall be $85 billion through 2002 and not more than $250 billion through 2007," the ten year net revenue loss in the tax reconciliation bill will not exceed $250 billion.

Sincerely,

WILLIAM V. ROTH,
Chairman, Finance Committee.
BILL ARCHER,
Chairman, Ways and Means Committee.

RECONCILIATION

House resolution

The House-passed budget resolution includes reconciliation directives for House Committees to make changes in direct spending and revenues in two separate bills. The House resolution also effectively provides the option to include both the direct spending, revenue changes, and increases in the debt limit in the second reconciliation bill.

The House resolution includes language providing the Committee on Ways and Means flexibility to submit legislation incorporating part of the children's health initiative, which was reconciled to the Committee on Commerce, as long as the combined recommendations for the children's health initiative does not exceed $2.3 billion in fiscal year 1998, $3.9 billion in fiscal year 2002, and $16 billion over five years.

Senate amendment

The Senate amendment includes reconciliation directives for Senate committees to make changes in direct spending and revenues in two separate bills. The Senate adopted a unanimous consent agreement with respect to the application of Section 313(b)(1)(E) of the Budget Act (the "Byrd Rule") to allow these two bills to be combined only for the purposes of determining whether reconciliation legislation would violate the Byrd rule by causing a net increase in the deficit in the outyears. In addition, the Senate amendment includes a provision that allows the two reconciliation bills to be combined only for the purposes of determining whether these reconciliation bills would violate the Senate's pay-as-you-go rule.

The Senate amendment also includes provisions to allow flexibility on a proposed children's initiative. The balanced budget agreement included $16 billion in additional spending and other possibilities, if mutually agreeable, for a children's health initiative. The Senate amendment assumes $16 billion in additional direct spending for a children's health initiative, but provides flexibility in the Senate to modify levels in the resolution for other possibilities. These modifications only can be made by the Chairman of the Budget Committee with the agreement and concurrence of the Ranking Minority Member of the Committee.

Conference agreement

The conference agreement includes the House resolution's provisions with respect to reconciliation directives to House committees and the Senate amendment's provisions with respect to reconciliation directives to Senate and House committees to implement the balanced budget agreement. The conference agreement also includes technical modifications to these provisions.

RECONCILIATION BY HOUSE COMMITTEE—ENTITLEMENT REFORMS DUE JUNE 13, 1997

[In millions of dollars]

Committee	1997 Base	1998	2002	1998 to 2002
Agriculture:				
Direct Spending	31,559	34,571	37,008	179,884
Banking & Financial Services:				
Direct Spending	−17,563	−8,435	−5,091	−32,743
Commerce:				
Direct Spending	359,601	393,533	507,150	2,259,294
Education and the Workforce:				
Direct Spending	13,581	17,222	17,673	89,528

RECONCILIATION BY HOUSE COMMITTEE—ENTITLEMENT REFORMS DUE JUNE 13, 1997—Continued

[In millions of dollars]

Committee	1997 Base	1998	2002	1998 to 2002
Government Reform & Oversight:				
Direct Spending	67,339	68,975	81,896	375,722
Deficit Reduction	0	0	621	1,829
Transportation & Infrastructure:				
Direct Spending	17,904	18,087	17,283	88,711
Veterans Affairs:				
Direct Spending	21,175	22,444	24,563	117,959
Ways & Means:				
Direct Spending	363,970	397,581	506,522	2,257,912
Revenues	1,135,408	1,172,136	1,382,679	6,358,388

RECONCILIATION BY HOUSE COMMITTEE—TAX RELIEF & MISCELLANEOUS REFORMS DUE JUNE 14, 1997

[In millions of dollars]

Committee	1997 Base	1998	2002	1998 to 2002
Agriculture:				
Direct Spending	31,559	34,571	37,008	179,884
Banking and Financial Services:				
Direct Spending	−17,563	−8,435	−5,091	−32,743
Commerce:				
Direct Spending	359,601	393,533	507,150	2,259,294
Education and the Workforce:				
Direct Spending	13,581	17,222	17,673	89,528
Government Reform and Oversight:				
Direct Spending	67,339	68,975	81,896	375,722
Deficit Reduction	0	0	621	1,829
Transportation and Infrastructure:				
Direct Spending	17,904	18,087	17,283	88,711
Veterans Affairs:				
Direct Spending	21,175	22,444	24,563	117,959
Ways and Means:				
Direct Spending	363,970	397,581	506,522	2,257,912
Revenues	1,135,408	1,164,736	1,362,179	6,273,388

RECONCILIATION INSTRUCTIONS BY SENATE COMMITTEE

[In billions of dollars]

Committee		1998	1999	2000	2001	2002	Total
First Reconciliation:							
Agriculture, Nutrition and Forestry	OT	0.300	0.300	0.300	0.300	0.300	1.500
Banking, Housing and Urban Affairs	DR	−0.136	−0.233	−0.365	−0.422	−0.434	−1.590
Commerce, Science and Transportation	OT	....	−3.549	3.549	−4.549	−14.849	−26.496
Energy and Natural Resources	OT	....	−0.001	−0.002	−0.004	−0.006	−0.013
Finance	OT	−1.137	−12.681	−19.079	−26.838	−40.911	−100.646
Governmental Affairs	DR	−0.632	−0.839	−1.042	−1.185	−1.769	−5.467
Labor and Human Resources	OT	−0.242	−0.247	−0.158	−0.088	−1.057	−1.792
Veterans Affairs	OT	−0.247	−0.540	−0.659	−0.606	−0.681	−2.733
Total First Reconciliation	DR	−2.094	−17.790	−24.554	−33.392	−59.407	−137.237
Second Reconciliation:							
Finance	Rev	−7.400	−11.300	−22.400	−23.400	−20.500	−85.000

NOTE: OT = outlays, DR = deficit reduction, Rev = revenues.

BUDGETARY RESTRAINTS AND RULEMAKING

House resolution

Title III of the House-passed budget resolution establishes new rules and procedures for implementing the budget resolution. The House resolution establishes a reserve fund for surface transportation (section 301), a new rule for scoring proposed asset sales (section 302), an environmental reserve for the superfund program (section 303), and a separate allocation for land acquisition (section 304).

Senate amendment

Title II of the Senate amendment establishes new rules and procedures for implementing the budget resolution. Section 201 establishes limits on discretionary spending through 2002. It also establishes separate limits on defense and non-defense discretionary spending ("firewalls") for FY 1998 and 1999. The Senate amendment provides that a future budget resolution or an appropriations measure that would cause these limits to be exceeded would be subject to a 60 vote point of order in the Senate. The enforcement of the discretionary limits beyond 1998 are dependent on the enactment of reconciliation legislation called for by the resolution.

Section 202 of the Senate amendment establishes an allowance to provide an upward adjustment to the budget authority discretionary spending limits if the Appropriations Committee approves of U.S. participation in the International Monetary Fund (IMF) New Arrangements to Borrow (NAB) and for a potential increase in the U.S. quota subscription. This additional budget authority will not increase outlays or the deficit.

Section 203 of the Senate amendment provides an allowance that effectively fences the additional funding assumed for Section 8 Housing Assistance contract renewals. The agreement creates an allowance of $9.2 billion in budget authority with an associated, but unspecified, amount of outlays to be released by the budget committees when the appropriations committees report bills that provide for renewal of Section 8 housing assistance contracts that expire in 1998. The conference agreement assumes that the amount of the allowance to be released (estimated to be $3.436 billion for outlays) will not be reduced to the extent that the appropriations and authorizing committees produce Section 8 savings that were proposed in the President's 1998 budget.

Section 204 of the Senate amendment provides an allowance to allow for additional mandatory spending for environmental programs as part of legislation to reform the Superfund program to facilitate the cleanup of hazardous waste sites.

Section 205 of the Senate amendment includes an allowance that effectively fences $700 million in funding for Federal land acquisition and exchanges.

Section 206 of the Senate amendment includes an allowance to provide adjustments to the discretionary caps and other levels in the resolution to accommodate appropriations for arrearages for international organizations, international peacekeeping, and multilateral development banks.

Sections 207, 208, and 209 of the Senate amendment includes reserve funds for an intercity passenger rail fund, mass transit programs, and highway programs. These reserve funds allow the discretionary caps and the spending levels in the resolution to be adjusted for additional spending if legislation provides sufficient offsets to ensure this spending would not increase the deficit.

Section 210 of the Senate amendment provides that the changes in title II are made under the Congress rulemaking authority and recognizes Congress constitutional right to modify these rules at any time.

Conference Agreement

Title II of the conference agreement includes the rules and procedures for implementing the budget resolution.

Section 201 of the conference agreement reflects the Senate amendment by establishing discretionary limits through 2002. These limits only apply in the Senate.

1998 BUDGET RESOLUTION CONFERENCE AGREEMENT—DISCRETIONARY CAPS

[Dollars in billions]

	1998	1999	2000	2001	2002
Defense:					
BA	269.0	271.5	275.4	281.8	289.6
OT	266.8	266.5	269.0	270.7	273.1
Nondefense:					
BA	257.9	261.5	261.8	260.2	261.5
OT	286.4	292.8	295.3	293.7	287.7
Total discretionary:					
BA	526.9	533.0	537.2	542.0	551.1
OT	553.3	559.3	564.3	564.4	560.8

Section 202 of the conference agreement generally reflects the Senate amendment by establishing an allowance for the International Monetary Fund (IMF) for both the Senate and the House. In the House, the IMF allowance only applies for fiscal years 1998 and 1999.

Section 203 of the conference agreement reflects the Senate amendment for an allowance for Section 8 Housing contract renewals.

Section 204 of the conference agreement reflects the House resolution's language, with modifications, for an allowance for additional mandatory spending for legislation that reforms the superfund program to facilitate the cleanup of hazardous waste sites.

Section 205 of the conference agreement reflects the House resolution's language, with modifications, for an allowance for additional spending for land acquisition.

Section 206 of the conference agreement reflects the Senate amendment's language, with modifications, for an allowance for arrearages for international organizations. In the House, this allowance only applies for fiscal years 1998 and 1999.

Section 207 of the conference agreement includes a reserve fund for an intercity passenger rail fund and applies to the House and Senate. Sections 207A, 208, and 209 of the conference agreement provide reserve funds in the Senate for an intercity passenger rail fund, mass transit programs, and highway programs.

Section 210 of the conference agreement incorporates the House resolution provision establishing a reserve fund for highways, highway safety and transit programs in the House.

Section 211 of the conference agreement includes the House resolution's language establishing a new rule for scoring proposed asset sales.

Section 212 of the conference agreement provides general authority with respect to the application and effect of adjustments made pursuant to title II of the resolution.

Section 213 of the conference agreement adopts the Senate amendment's provisions that the provisions of title II are made under Congress rulemaking authority and Congress reserves its right to change its rules at any time.

MISCELLANEOUS BUDGET ENFORCEMENT PROVISIONS

Extension of pay-as-you-go point of order in the Senate

The Senate Conferees note that in the Fiscal Year 1996 budget resolution (H. Con. Res. 67, 104th Congress) the pay-as-you-go point of order in the Senate was extended through the end of fiscal year 2002. Consequently it was again determined that it is not necessary to include the language in the text of this year's resolution. In order to emphasize the overall goal of balancing the budget set out in the bipartisan budget agreement and this resolution and that the pay-as-you-go discipline is still in effect, the text of section 202 from H. Con. Res. 67 is provided herein:

SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

(a) PURPOSE.—The Senate declares that it is essential to—

(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

(2) continue the pay-as-you-go enforcement system.

(b) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection the term "applicable time period" means any of the three following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first five fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the five fiscal years following the first five fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term "direct spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by and interpreted for pur-

poses of the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms "direct spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the deficit when taken individually, then it must also increase the deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that the direct spending or revenue effect resulting from legislation enacted pursuant to the reconciliation instructions included in that concurrent resolution on the budget shall not be available.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103rd Congress) is repealed.

(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002.

Unanimous consent agreement in the Senate—regarding section 313(b)(1)(E) of the Budget Act

The Senate Conferees note that because of the two bill reconciliation process envisioned by the bipartisan budget agreement and this resolution it was necessary in the Senate to obtain the following unanimous consent agreement with respect to the application of section 313(b)(1)(E) of the Congressional Budget Act of 1974 (the Byrd Rule) to the second reconciliation bill. The purpose of the consent is to provide that when the second reconciliation bill is considered in the Senate no Byrd Rule point of order under section 313(b)(1)(E) would lie against provisions which reduce revenues in years beyond those reconciled. This unanimous consent agreement is contingent upon the Senate considering two reconciliation bills pursuant to the concurrent resolution on the budget for fiscal year 1998. The text of the agreement, which was obtained on May 21, 1997, is as follows:

Ordered, That during the consideration of legislation (and the conference report thereon), pursuant to the reconciliation instructions set forth in the concurrent resolution on the budget for fiscal year 1998, for the purposes of section 313(b)(1)(E) of the Congressional Budget Act of 1974, legislation which reduces revenues pursuant to a reconciliation instruction contained in the fiscal year 1998 resolution (the second reconciliation bill) shall be taken together with all other legislation passed in the Senate pursuant to the reconciliation instructions contained in that resolution (the first reconciliation bill) when determining whether any provision of the second reconciliation bill is extraneous: *Provided,* That this unanimous consent agreement is contingent upon the Senate considering two reconciliation bills pursuant to the concurrent resolution on the budget for fiscal year 1998.

SENSE OF THE CONGRESS, HOUSE, AND SENATE PROVISIONS

House resolution

Title IV of the House-passed budget resolution contains sense of the Congress provisions on the following subjects:

baselines;
repayment of the federal debt;
commission on long-term budgetary problems;
corporate welfare; and
family violence.

Senate amendment

Title III of the Senate amendment contains sense of the Senate and other provisions on the following subjects:

long-term entitlement reforms;
tactical fighter aircraft programs;
children's health coverage;
medicaid per capita cap;
dedication of additional savings to deficit reduction;
fairness in medicare;
assistance to Lithuania and Latvia;
national commission on higher education;
medicare lockbox;
earned income credit;
repayment of the federal debt;
long-term entitlement reforms;
disaster assistance funding;
enforcement of the bipartisan budget agreement;
national institutes of health;

elderly legal aliens;
retroactive taxes;
social security and balancing the budget;
veterans programs and benefits;
family violence;
tax cuts;
amtrak;
children's health;
gasoline taxes and the highway trust fund;
early childhood education;
highway trust fund and the budget;
airport and airway trust fund and the budget;
military retirement trust funds and the budget;
civil service trust funds and the budget;
unemployment trust funds and the budget;
highway trust fund;
tax incentives for post-secondary education;
additional tax cuts;
spectrum auctions;
highway demonstration projects;
budget savings;
social security and future retirees;
economic growth dividend;
reserve fund for early childhood development;
law enforcement; and
prevention of drug use by children.

Conference agreement

Subtitle A of the conference agreement expresses the sense of the Congress on the following subjects:

repayment of the federal debt, and
tax cut shall not exceed $250 billion over ten years.

Subtitle B of the conference agreement contains sense of the House provisions on the following subjects:

commission on long-term budgetary problems;
corporate welfare;
baselines; and
family violence.

Subtitle C of the conference agreement contains sense of the Senate provisions on the following subjects:

long-term entitlement reforms;
tactical fighter aircraft programs;
children's health coverage;
medicaid per capita cap;
dedication of additional savings to deficit reduction;
fairness in medicare;
assistance to Lithuania and Latvia;
national commission on higher education;
medicare lockbox;
earned income credit;
repayment of the federal debt;
long-term entitlement reforms;
disaster assistance funding;
enforcement of the bipartisan budget agreement;

national institutes of health;
elderly legal aliens;
retroactive taxes;
social security and balancing the budget;
veterans programs and benefits;
family violence;
tax cuts;
amtrak;
children's health;
gasoline taxes and the highway trust fund;
early childhood education;
highway trust fund;
tax incentives for post-secondary education;
additional tax cuts;
spectrum auctions;
highway demonstration projects;
budget savings;
social security and future retirees;
economic growth dividend;
law enforcement;
prevention of drug use by children.

ALLOCATIONS

As required in sections 302 and 602 of the Budget Act, the joint statement of the managers includes an allocation, based upon the conference report, of the levels of total budget authority, total budget outlays, and—in the House only—total entitlement authority, among each of the appropriate House and Senate committees.

As required under sections 302 and 602, the allocations are divided between mandatory and otherwise uncontrollable amounts and discretionary or otherwise controllable amounts.

The allocations for each House consist of a set of two tables for the House and Senate. The first set of tables shows the allocation for the budget year, fiscal year 1998. For the House, the amount allocated to each committee is broken down by budget function. The second set of tables shows the amounts allocated for the totals of the budget year and the four succeeding planning years. These allocations serve as the basis for congressional enforcement of the budget resolution through points of order under the Budget Act.

The allocations are as follows:

Allocation of Spending Responsibility to House Committees Pursuant to Sections 302(a)/602(a) or the Congressional Budget Act
(by fiscal year, in millions of dollars)

	1998	1999	2000	2001	2002	1998 to 2002
Appropriations Committee						
Current Level						
Budget Authority	274,392	304,803	330,585	342,433	373,040	1,625,253
Outlays	276,420	297,566	324,972	334,475	366,766	1,600,199
Discretionary Action						
General Purpose						
Defense						
Budget Authority	269,000	271,500	275,367	281,847	289,610	1,387,324
Outlays	266,823	266,518	268,995	270,663	273,100	1,346,099
Nondefense						
Budget Authority	242,457	255,699	257,326	255,785	256,964	1,268,231
Outlays	279,117	287,850	289,716	287,752	283,169	1,427,604
Subtotal						
Budget Authority	511,457	527,199	532,693	537,632	546,574	2,655,555
Outlays	545,940	554,368	558,711	558,415	556,269	2,773,703
Violent Crime Reduction Trust Fund						
Budget Authority	5,500	5,800	4,500	4,400	4,500	24,700
Outlays	3,592	4,953	5,554	591	4,530	19,220
Total Discretionary Action						
Budget Authority	516,957	532,999	537,193	542,032	551,074	2,680,255
Outlays	549,532	559,321	564,265	559,006	560,799	2,792,923
Discretionary Action By Other Committees						
Budget Authority	7,860	7,702	7,634	7,269	5,389	35,854
Outlays	7,512	7,300	3,355	11,376	5,309	34,852
Committee Total						
Budget Authority	799,209	845,504	875,412	891,734	929,503	4,341,362
Outlays	833,464	864,187	892,592	904,857	932,874	4,427,974
Agriculture Committee						
Current Level (Enacted Law)						
Budget Authority	9,824	9,646	9,113	7,852	7,559	43,994
Outlays	7,512	7,136	6,663	5,474	5,111	31,896
National Security Committee						
Current Level (Enacted Law)						
Budget Authority	48,155	50,016	51,885	53,779	55,740	259,575
Outlays	48,005	49,864	51,761	53,660	55,625	258,915
Banking and Financial Services Committee						
Current Level (Enacted Law)						
Budget Authority	4,406	5,049	5,645	5,790	5,979	26,869
Outlays	-3,067	-1,654	149	868	1,289	-2,415
Discretionary Action						
Budget Authority	-136	-145	-147	-128	-110	-666
Outlays	-136	-233	-365	-422	-434	-1,590
Committee Total						
Budget Authority	4,270	4,904	5,498	5,662	5,869	26,203
Outlays	-3,203	-1,887	-216	446	855	-4,005

	1998	1999	2000	2001	2002	1998 to 2002
Economic Opportunity Committee						
Current Level (Enacted Law)						
Budget Authority	4,102	3,761	3,566	3,622	3,741	18,792
Outlays	3,508	3,450	3,291	3,275	3,367	16,891
Discretionary Action						
Budget Authority	-248	-247	-158	-88	-1,057	-1,798
Outlays	-242	-247	-158	-88	-1,057	-1,792
Committee Total						
Budget Authority	3,854	3,514	3,408	3,534	2,684	16,994
Outlays	3,266	3,203	3,133	3,187	2,310	15,099
New Entitlement Authority						
....	1,726	2,544	2,776	2,871	2,970	12,887
Commerce Committee						
Current Level (Enacted Law)						
Budget Authority	2,729	6,329	9,120	12,112	12,802	43,092
Outlays	2,732	6,331	9,121	12,113	12,802	43,099
Discretionary Action						
Budget Authority	0	-3,501	-3,502	-4,504	-14,806	-26,313
Outlays	0	-3,501	-3,502	-4,504	-14,806	-26,313
Committee Total						
Budget Authority	2,729	2,828	5,618	7,608	-2,004	16,779
Outlays	2,732	2,830	5,619	7,609	-2,004	16,786
New Entitlement Authority						
....	2,443	1,229	849	99	-2,265	2,375
International Relations Committee						
Current Level (Enacted Law)						
Budget Authority	13,142	11,676	11,284	11,506	11,647	59,255
Outlays	12,952	12,527	11,931	11,774	11,758	60,942
Government Reform and Oversight Committee						
Current Level (Enacted Law)						
Budget Authority	54,916	59,155	61,544	64,095	66,878	306,588
Outlays	55,822	57,745	59,920	62,393	65,069	300,949
Discretionary Action						
Budget Authority	-632	-625	-619	-614	-608	-3,098
Outlays	-632	-625	-619	-614	-608	-3,098
Committee Total						
Budget Authority	54,284	58,530	60,925	63,481	66,270	303,490
Outlays	55,190	57,120	59,301	61,779	64,461	297,851
Oversight Committee						
Current Level (Enacted Law)						
Budget Authority	93	97	94	93	94	471
Outlays	27	64	247	81	25	444

	1998	1999	2000	2001	2002	1998 to 2002
Public Lands and Resources Committee						
Current Level (Enacted Law)						
Budget Authority	2,252	2,328	2,337	2,346	2,389	11,652
Outlays	2,152	2,334	2,339	2,315	2,313	11,483
Judiciary Committee						
Current Level (Enacted Law)						
Budget Authority	4,084	4,162	4,278	4,373	4,486	21,383
Outlays	4,142	4,015	4,130	4,236	4,279	20,802
Discretionary Action						
Budget Authority	146	183	188	193	198	908
Outlays	177	214	219	223	230	1,063
Committee Total						
Budget Authority	4,230	4,345	4,466	4,566	4,684	22,291
Outlays	4,319	4,229	4,349	4,459	4,509	21,865
Transportation and Infrastructure Committee						
Current Level (Enacted Law)						
Budget Authority	18,040	15,883	16,051	16,197	16,387	82,558
Outlays	17,350	16,906	16,613	16,470	16,457	83,796
Discretionary Action						
Budget Authority	29,695	30,732	31,442	32,149	32,338	156,356
Outlays	65	243	398	490	13	1,209
Committee Total						
Budget Authority	47,735	46,615	47,493	48,346	48,725	238,914
Outlays	17,415	17,149	17,011	16,960	16,470	85,005
Science Committee						
Current Level (Enacted Law)						
Budget Authority	39	32	32	32	32	167
Outlays	36	34	36	35	32	173
Small Business Committee						
Current Level (Enacted Law)						
Budget Authority	250	0	0	0	0	250
Outlays	-100	-263	-142	-110	-84	-699
Veterans' Affairs Committee						
Current Level (Enacted Law)						
Budget Authority	1,358	1,291	1,264	1,196	1,107	6,216
Outlays	1,440	1,456	1,431	1,409	1,373	7,109
Discretionary Action						
Budget Authority	-224	-356	-360	-362	-363	-1,665
Outlays	-224	-356	-360	-362	-363	-1,665
Committee Total						
Budget Authority	1,134	935	904	834	744	4,551
Outlays	1,216	1,100	1,071	1,047	1,010	5,444
New Entitlement Authority						
....	327	656	-575	3,269	2,096	5,773

	1998	1999	2000	2001	2002	1998 to 2002
Ways and Means Committee						
Current Level (Enacted Law)						
Budget Authority	672,256	708,953	730,987	755,233	782,020	3,644,448
Outlays	671,092	704,498	734,175	749,280	780,125	3,639,170
Discretionary Action						
Budget Authority	-5,918	-16,268	-22,088	-28,799	-40,073	-113,146
Outlays	-5,918	-16,268	-26,065	-24,822	-40,076	-113,149
Committee Total						
Budget Authority	666,337	689,685	708,899	726,434	741,947	3,533,302
Outlays	665,174	688,230	708,110	724,458	740,049	3,526,021
New Entitlement Authority						
....	400	390	-1,007	1,550	270	1,603
Unassigned to Committee						
Current Level (Enacted Law)						
Budget Authority	-282,798	-290,579	-300,987	-307,621	-324,262	-1,506,247
Outlays	-281,607	-283,783	-295,024	-302,733	-319,423	-1,482,650
Discretionary Action						
Budget Authority	9,961	24	19	14	9	10,027
Outlays	3,797	24	19	14	9	3,863
Committee Total						
Budget Authority	-272,837	-290,555	-300,968	-307,607	-324,253	-1,496,220
Outlays	-277,890	-283,759	-295,005	-302,719	-319,414	-1,478,787
Total Current Level						
Budget Authority	829,239	889,602	936,798	973,038	1,019,609	4,648,286
Outlays	818,336	878,220	931,613	955,013	1,006,804	4,590,074
Total Discretionary Action						
Budget Authority	557,461	550,498	549,602	547,162	531,991	2,736,714
Outlays	553,664	545,072	537,187	545,687	509,016	2,691,426
Grand Totals						
Budget Authority	1,386,700	1,440,100	1,486,400	1,520,200	1,551,600	7,385,000
Outlays	1,372,000	1,424,100	1,468,800	1,500,700	1,515,900	7,281,500
Total New Entitlement Authority						
....	4,916	4,019	2,043	7,789	3,071	22,638

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES
PURSUANT TO SEC. 602(A) OF THE CONGRESSIONAL BUDGET ACT
(IN MILLIONS OF DOLLARS)

HOUSE APPROPRIATIONS COMMITTEE

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
050 NATIONAL DEFENSE	197	197	0
150 INTERNATIONAL AFFAIRS	174	174	0
300 NATURAL RESOURCES AND ENVIRONMENT	68	109	0
350 AGRICULTURE	2,370	1,709	0
370 COMMERCE AND HOUSING CREDIT	35	-1,155	0
400 TRANSPORTATION	637	634	0
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	7,029	7,777	0
550 HEALTH	109,760	109,795	0
570 MEDICARE	62,297	62,297	0
600 INCOME SECURITY	61,828	64,935	0
650 SOCIAL SECURITY	21	21	0
700 VETERANS BENEFITS AND SERVICES	20,950	20,901	0
750 ADMINISTRATION OF JUSTICE	400	393	0
800 GENERAL GOVERNMENT	8,618	8,625	0
900 NET INTEREST	8	8	0
SUBTOTALS	274,392	276,420	0

HOUSE APPROPRIATIONS COMMITTEE

FISCAL YEAR: 1998

		BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY APPROPRIATIONS ACTION (ASSUMED LEGISLATION)				
050	NATIONAL DEFENSE	269,000	266,823	0
150	INTERNATIONAL AFFAIRS	19,038	19,179	0
250	GENERAL SCIENCE, SPACE, AND TECHNOLOGY	16,199	16,847	0
270	ENERGY	4,754	5,045	0
300	NATURAL RESOURCES AND ENVIRONMENT	22,107	21,093	0
350	AGRICULTURE	4,055	4,143	0
370	COMMERCE AND HOUSING CREDIT	3,133	3,066	0
400	TRANSPORTATION	13,556	38,267	0
450	COMMUNITY AND REGIONAL DEVELOPMENT	8,288	10,044	0
500	EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	46,721	43,185	0
550	HEALTH	24,896	24,612	0
570	MEDICARE	2,715	2,724	0
600	INCOME SECURITY	23,737	37,829	0
650	SOCIAL SECURITY	3,255	3,355	0
700	VETERANS BENEFITS AND SERVICES	18,476	19,266	0
750	ADMINISTRATION OF JUSTICE	24,405	22,170	0
800	GENERAL GOVERNMENT	12,622	11,884	0
	SUBTOTALS	516,957	549,532	0

HOUSE APPROPRIATIONS COMMITTEE

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION BY OTHER COMMITTEES (ASSUMED ENTITLEMENT LEGISLATION)			
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	2,538	1,955	0
550 HEALTH	2,863	2,863	0
600 INCOME SECURITY	2,100	2,100	0
700 VETERANS BENEFITS AND SERVICES	359	327	0
SUBTOTALS	7,860	7,245	0
COMMITTEE TOTALS	799,209	833,197	0

House Agriculture Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
150 INTERNATIONAL AFFAIRS	-483	-483	0
270 ENERGY	0	-1,036	0
300 NATURAL RESOURCES AND ENVIRONMENT	2,502	2,570	0
350 AGRICULTURE	7,635	6,183	7,447
370 COMMERCE AND HOUSING CREDIT	0	4	0
400 TRANSPORTATION	30	30	0
450 COMMUNITY AND REGIONAL DEVELOPMENT	27	126	0
800 GENERAL GOVERNMENT	113	118	0
900 NET INTEREST	0	0	8
SUBTOTALS	9,824	7,512	7,455
COMMITTEE TOTALS	9,824	7,512	7,455

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House National Security Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
050 NATIONAL DEFENSE	16,704	16,662	0
300 NATURAL RESOURCES AND ENVIRONMENT	3	3	0
400 TRANSPORTATION	-2	-22	0
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	5	3	0
600 INCOME SECURITY	31,265	31,178	0
700 VETERANS BENEFITS AND SERVICES	180	181	180
SUBTOTALS	48,155	48,005	180
COMMITTEE TOTALS	48,155	48,005	180

House Banking and Financial Services Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
150 INTERNATIONAL AFFAIRS	-1,059	-2,363	0
370 COMMERCE AND HOUSING CREDIT	1,375	-4,686	0
450 COMMUNITY AND REGIONAL DEVELOPMENT	0	-147	0
600 INCOME SECURITY	46	85	0
800 GENERAL GOVERNMENT	2	2	0
900 NET INTEREST	4,042	4,042	0
SUBTOTALS	4,406	-3,067	0

House Banking and Financial Services Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
370 COMMERCE AND HOUSING CREDIT	-136	-136	0
SUBTOTALS	-136	-136	0
COMMITTEE TOTALS	4,270	-3,203	0

House Committee on Education and the Workforce

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	3,957	3,365	3,288
600 INCOME SECURITY	145	143	9,866
SUBTOTALS	4,102	3,508	13,154

House Committee on Education and the Workforce
FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	-248	-242	1,726
SUBTOTALS	-248	-242	1,726
COMMITTEE TOTALS	3,854	3,266	14,880

House Commerce Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
300 NATURAL RESOURCES AND ENVIRONMENT	31	31	0
370 COMMERCE AND HOUSING CREDIT	2,078	2,078	1,700
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	1	1	0
550 HEALTH	611	614	105,536
800 GENERAL GOVERNMENT	8	8	0
SUBTOTALS	2,729	2,732	107,236

House Commerce Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
550 HEALTH	0	0	2,463
[illegible]S	0	0	2,463
[illegible]ITTEE TOTALS	2,729	2,732	109,699

House International Relations Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
150 INTERNATIONAL AFFAIRS	12,595	12,407	0
400 TRANSPORTATION	7	7	0
600 INCOME SECURITY	534	532	522
800 GENERAL GOVERNMENT	6	6	0
SUBTOTALS	13,142	12,952	522
COMMITTEE TOTALS	13,142	12,952	522

House Government Reform and Oversight Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
370 COMMERCE AND HOUSING CREDIT	10	9	0
[illegible]TH	0	225	4,165
[illegible]	43,850	42,532	42,532
[illegible]STRATION OF JUSTICE	50	50	50
[illegible]RAL GOVERNMENT	12,986	12,986	0
900 NET INTEREST	20	20	0
SUBTOTALS	56,916	55,822	46,747

House Government Reform and Oversight Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
370 COMMERCE AND HOUSING CREDIT	-35	-35	0
950 UNDISTRIBUTED OFFSETTING RECEIPTS	-597	-597	0
SUBTOTALS	-632	-632	0
COMMITTEE TOTALS	56,284	55,190	46,747

House Oversight Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	25	26	0
800 GENERAL GOVERNMENT	68	1	93
SUBTOTALS	93	27	93
COMMITTEE TOTALS	93	27	93

House Resources Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
270 ENERGY	-44	-71	0
300 NATURAL RESOURCES AND ENVIRONMENT	929	794	27
370 COMMERCE AND HOUSING CREDIT	66	36	0
450 COMMUNITY AND REGIONAL DEVELOPMENT	445	499	0
550 HEALTH	4	4	0
800 GENERAL GOVERNMENT	852	890	182
SUBTOTALS	2,252	2,152	209
COMMITTEE TOTALS	2,252	2,152	209

House Judiciary Committee

	FISCAL YEAR: 1998		
	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
370 COMMERCE AND HOUSING CREDIT	245	273	0
600 INCOME SECURITY	62	25	24
750 ADMINISTRATION OF JUSTICE	1,659	1,726	215
800 GENERAL GOVERNMENT	2,118	2,118	17
SUBTOTALS	4,084	4,142	256

House Judiciary Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
750 ADMINISTRATION OF JUSTICE	146	177	0
SUBTOTALS	146	177	0
COMMITTEE TOTALS	4,230	4,319	256

House Transportation and Infrastructure Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
270 ENERGY	0	-104	0
300 NATURAL RESOURCES AND ENVIRONMENT	189	157	0
400 TRANSPORTATION	2,578	2,051	634
450 COMMUNITY AND REGIONAL DEVELOPMENT	5	2	0
600 INCOME SECURITY	15,270	15,246	80
800 GENERAL GOVERNMENT	-2	-2	0
SUBTOTALS	18,040	17,350	714

House Transportation and Infrastructure Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
400 TRANSPORTATION	29,695	65	0
SUBTOTALS	29,695	65	0
COMMITTEE TOTALS	47,735	17,415	714

House Science Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY	38	35	0
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	1	1	0
SUBTOTALS	39	36	0
COMMITTEE TOTALS	39	36	0

House Veterans' Affairs Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
700 VETERANS BENEFITS AND SERVICES	1,358	1,440	22,196
SUBTOTALS	1,358	1,440	22,196

House Small Business Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
370 COMMERCE AND HOUSING CREDIT	0	-210	0
450 COMMUNITY AND REGIONAL DEVELOPMENT	250	110	0
SUBTOTALS	250	-100	0
COMMITTEE TOTALS	250	-100	0

House Veterans' Affairs Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
700 VETERANS BENEFITS AND SERVICES	-224	-224	327
SUBTOTALS	-224	-224	327
COMMITTEE TOTALS	1,134	1,216	22,523

House Ways and Means Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
CURRENT LEVEL (ENACTED LAW)			
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	0	0	6,935
550 HEALTH	50	39	0
570 MEDICARE	231,519	231,654	226,966
600 INCOME SECURITY	65,068	63,790	23,509
650 SOCIAL SECURITY	8,148	8,148	0
750 ADMINISTRATION OF JUSTICE	493	481	0
800 GENERAL GOVERNMENT	450	453	0
900 NET INTEREST	366,612	366,612	366,612
950 UNDISTRIBUTED OFFSETTING RECEIPTS	-85	-85	0
SUBTOTALS	672,255	671,092	624,022

House Ways and Means Committee

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
550 HEALTH	0	0	400
570 MEDICARE	-6,500	-6,500	0
600 INCOME SECURITY	582	582	0
SUBTOTALS	-5,918	-5,918	400
COMMITTEE TOTALS	666,337	665,174	624,422

UNASSIGNED

FISCAL YEAR: 1998

		BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
	CURRENT LEVEL (ENACTED LAW)			
050	NATIONAL DEFENSE	-17,701	-17,682	0
150	INTERNATIONAL AFFAIRS	-14,365	-14,314	0
250	GENERAL SCIENCE, SPACE, AND TECHNOLOGY	-37	18	0
270	ENERGY	-1,610	-1,634	0
300	NATURAL RESOURCES AND ENVIRONMENT	-2,829	-2,857	0
350	AGRICULTURE	-960	-138	0
370	COMMERCE AND HOUSING CREDIT	-171	-144	0
400	TRANSPORTATION	-101	-132	0
450	COMMUNITY AND REGIONAL DEVELOPMENT	-215	-234	0
500	EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES	-29	29	0
550	HEALTH	-384	-352	0
570	MEDICARE	-88,431	-88,375	0
600	INCOME SECURITY	-14,687	-14,613	0
650	SOCIAL SECURITY	-24	-24	0
700	VETERANS BENEFITS AND SERVICES	-599	-591	0
750	ADMINISTRATION OF JUSTICE	-2,214	-2,258	0
800	GENERAL GOVERNMENT	-23,141	-23,089	0
900	NET INTEREST	-74,182	-74,182	-60,736
950	UNDISTRIBUTED OFFSETTING RECEIPTS	-41,118	-41,118	0
	SUBTOTALS	-282,798	-281,687	-60,736

UNASSIGNED

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
DISCRETIONARY ACTION (ASSUMED LEGISLATION)			
300 NATURAL RESOURCES AND ENVIRONMENT	200	200	0
750 ADMINISTRATION OF JUSTICE	-139	-139	0
SUBTOTALS	61	61	0

UNASSIGNED

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
COMMITTEE TOTALS	-282,737	-281,626	-60,736

FISCAL YEAR: 1998

	BUDGET AUTHORITY	OUTLAYS	ENTITLEMENT AUTHORITY
TOTAL - CURRENT LEVEL:	829,239	818,336	762,048
TOTAL - DISCRETIONARY ACTION:	547,561	549,928	4,916
GRAND TOTALS:	1,376,800	1,368,264	766,964

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT BUDGET YEAR TOTAL 1998

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in an annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	788,769	824,665	0	0
Appropriations (violent crime reduction trust fund)	5,500	3,592	0	0
Agriculture, Nutrition, and Forestry	10,011	7,702	8,502	8,476
Armed Services	48,152	48,022	0	0
Banking, Housing, and Urban Affairs	9,190	−3,203	0	0
Commerce, Science, and Transportation	4,922	2,202	637	634
Energy and Natural Resources	1,879	1,848	50	41
Environment and Public Works	25,637	2,915	0	0
Finance	683,053	681,872	112,893	115,429
Foreign Relations	13,135	12,945	0	0
Governmental Affairs	56,248	55,190	0	17
Judiciary	4,230	4,319	220	215
Labor and Human Resources	7,072	6,478	1,352	1,352
Rules and Administration	93	27	0	0
Veterans' Affairs	1,111	1,193	21,187	21,106
Indian Affairs	449	423	0	0
Small Business	250	−100	0	0
Unassigned to Committee	−273,037	−278,090	0	0
Total	1,386,700	1,372,000	144,841	147,270

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT 5-YEAR TOTAL: 1998–2002

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in an annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	44,971	32,871	70,151	46,846
Armed Services	259,560	258,993	0	0
Banking, Housing, and Urban Affairs	52,169	−4,005	0	0
Commerce, Science, and Transportation	28,448	14,339	3,534	3,516
Energy and Natural Resources	9,530	9,528	254	282
Environment and Public Works	125,266	11,398	0	0
Finance	3,607,033	3,599,663	669,226	672,800
Foreign Relations	59,220	60,907	0	0
Governmental Affairs	304,950	297,311	0	0
Judiciary	22,261	21,865	1,100	1,095
Labor and Human Resources	33,475	31,562	7,112	7,112
Rules and Administration	471	444	0	0
Veterans' Affairs	3,483	4,376	113,589	113,276
Indiana Affairs	2,278	2,144	0	0
Small Business	250	−699	0	0

JOHN R. KASICH,
DAVID L. HOBSON,
JOHN M. SPRATT, Jr.,
Managers on the Part of the House.

PETE V. DOMENICI,
CHUCK GRASSLEY,
FRANK R. LAUTENBERG,
Managers on the Part of the Senate.