

106TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
106-530

**CONCURRENT RESOLUTION
ON THE BUDGET—FISCAL
YEAR 2001**

R E P O R T

OF THE

**COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES**

TO ACCOMPANY

H. Con. Res. 290

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2001, REVISING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2000, AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR EACH OF FISCAL YEARS 2002 THROUGH 2005

together with

MINORITY AND ADDITIONAL VIEWS



MARCH 20, 2000.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

63-252

WASHINGTON : 2000

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Mr. KASICH, from the Committee on the Budget,
submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H. Con. Res. 290]

THE REPUBLICAN BUDGET FOR FISCAL YEAR 2001
An Antidote to the Clinton-Gore Trillion-Dollar Fantasy

INTRODUCTION

On February 7, 2000, President Clinton and Vice President Gore submitted a budget for fiscal year 2001 that raises taxes and fees on working families by \$250 billion, creates 84 new Federal programs, places Government spending increases on “autopilot,” and fails to offer any serious proposals to strengthen Social Security or Medicare.

Over the next decade, the Clinton-Gore budget would spend \$1.3 trillion on bigger Government—consuming 70 percent of the projected \$1.9 trillion in budget surpluses. Thus, the administration plan would mean more for the Federal bureaucracy, and less for the American family.

This Republican budget resolution is an antidote to Government on autopilot. The defining components of this budget are the following:

- It strengthens and protects Social Security.
- It pays down more than a trillion dollars of debt.
- It provides tax relief and fairness for families, small businesses, and farmers. It repeals the marriage penalty and provides incentives for health insurance and health care.
- It puts aside \$40 billion for Medicare reform and prescription drugs.
- It strengthens the Nation’s defense.
- It provides for higher-quality education, by supporting local decisionmaking, rather than Washington mandates.

This budget addresses the Government’s most important commitments, while reinforcing the Nation’s growth from the bottom up. It restores the importance of the American people, rather than the self-importance of Washington. It underscores President Reagan’s vision, that “We are a Nation with a Government, not the other way around.”

Below are the highlights and key priorities of this budget.

HIGHLIGHTS OF THE REPUBLICAN BUDGET

- Protecting and Strengthening Social Security*—The Republican budget reserves all of the Social Security surplus—\$978 billion over the next 5 years—to strengthen the program. It creates a “lock box” to assure the Social Security surplus cannot be raided. The lock box will guarantee that Social Security surpluses cannot be spent on other Government programs.

—*Tax Relief and Fairness*—The Republican tax relief plan eliminates the marriage penalty, and allows Congress to provide other assistance to families, small businesses, and farmers. It repeals the unfair Social Security earnings test, which penalizes seniors who want to work. The budget also leaves room for education assistance, a phaseout of the death tax, and incentives for health insurance and health care.

Over 5 years, the budget provides for at least \$150 billion in tax cuts. The budget provides \$10 billion in tax relief in fiscal year 2001 alone.

Besides the \$150-billion tax cut, the budget creates a \$50-billion reserve dedicated to either additional tax relief or additional debt relief. The resolution also allows for any future increases in the non-Social Security surplus to be added to this fund.

In contrast, the President and Vice President would impose \$10 billion in net tax increases in fiscal year 2001.

—*Debt Reduction*—This budget proposes an historic plan to eliminate the debt held by the public by 2013. The plan fully protects the growing Social Security surpluses with a “lock-box,” as another step in the Republican effort to provide fundamental reform of the system. Instead of using Social Security surpluses for Government spending, the Republican budget dedicates them to repaying debt.

This historic plan will pay down \$3.6 trillion worth of public debt, and help assure seniors—now and in the future—of a solvent Social Security system, while lifting the burden of debt off the backs of the Nation’s children.

—*Medicare Reform*—The Republican budget sets aside \$40 billion for reforming Medicare and providing prescription drug coverage for America’s seniors. The resolution also rejects the President’s \$18.2 billion of higher costs for Medicare providers and beneficiaries.

—*Spending Restraint*—The Clinton-Gore budget proposed a discretionary spending level of \$625 billion for fiscal year 2001—an increase of \$39 billion over fiscal year 2000, and more than twice the rate of inflation.

The Republican budget restrains discretionary spending to a total of \$596.5 billion for fiscal year 2001. This proposal rejects the Democrats’ “Government on autopilot” approach, and holds spending as close to a freeze as possible (about half the rate of inflation).

OTHER PRIORITIES

—*Defense*—This budget provides \$307.3 billion for the Nation’s men and women in uniform in fiscal year 2001. This is 6 percent more than last year and \$1 billion more than the President’s request.

—*Education*—The resolution provides an increase of \$2.2 billion in elementary and secondary education over last year (a 9.4-percent increase), and more than \$20 billion over the next 5 years. The Republican budget assumes greater flexibility for States and lo-

calities, and makes the Individuals with Disabilities Education Act [IDEA] the top education priority. Republicans also reject the President's cuts in the Student Financial Aid Program.

—*Basic Research*—This budget provides significant increases in basic research, including a \$1-billion increase for the National Institutes of Health.

—*Farmers*—Republicans are providing \$6 billion in immediate income assistance to the Nation's farmers, as well as Federal crop insurance reform.

—*Veterans*—The budget provides a 6-percent increase for the Nation's veterans, including the needed resources for veterans' health care.

To summarize: This budget is an antidote to the trillion-dollar fantasy proposed by the Clinton-Gore administration. Instead of proposing a risky scheme to increase spending without restraint, the Republican budget holds spending in check while protecting the entire Social Security surplus. Instead of raising taxes, the Republican budget provides for responsible tax relief for working families, making the tax code more fair. As surpluses continue accumulating in Washington, the Republican budget works toward wiping out the \$3.6 trillion in debt held by the public by 2013.

The discussion that follows provides additional information on these and other priorities of the budget.

ECONOMIC ASSUMPTIONS

The Committee's budget resolution uses the economic assumptions developed by the Congressional Budget Office [CBO] and presented in CBO's *The Economic and Budget Outlook: Fiscal Years 2001–2010* (January, 2000). These economic assumptions comprise a short-term forecast for 2000 and 2001—which reflects the current state of the economy relative to the business cycle—and a longer-term projection for 2002 through 2005, based on long-term economic trends.

As the economy continues to grow strongly, economic forecasts have improved. Since last summer, there has been further recognition that recent productivity gains are persistent. Most forecasts, including CBO's, assume that the economy will reach a sustainable level of economic growth, now judged to be about 3 percent. Private forecasts are somewhat more optimistic.

The near-term forecast continues to reflect the strength of the economy as the boom in investment and consumer spending continues. The longer-term assumptions reflect the view that important, and permanent structural changes in the economy may have taken hold, raising the trend of future sustainable output. Hence, most of the current rise in productivity is reflected in long-term sustainable growth.

REVIEW OF ECONOMIC DEVELOPMENTS IN 1999

The economy in 1999 continued to perform exceptionally, on a path of high growth and low inflation. With yet another year of greater than 4-percent real growth, the current 9-year-old expansion is now the longest on record. The unemployment rate, at 4.1 percent, is the lowest in 30 years, with 2.7 million jobs created in 1999. Inflation continued to remain at historically low levels, with the overall rate of inflation higher in 1999, but as a result of higher energy prices. Real compensation also grew significantly.

Much of the good news is attributable to a surge in productivity growth. Labor productivity has accelerated since 1995, to about the level before the slowdown after 1973. Over the past 2 years, productivity has surged by about 3 percent, due mainly to rapid business investment. Many observers believe that major structural changes in the economy—stimulated by advances in, and the use of, computer-related technologies—have permanently boosted productivity.

Sound fiscal and monetary policies have contributed to the good results. Fiscal restraint by the Federal Government improved national savings, even as personal savings fell, and allowed the Federal Reserve Board [FED] to allow lower interest rates than would otherwise be the case. This increase in savings encourages invest-

ment and capital accumulation, thereby helping raise the long term potential growth rate of the economy.

The main policy objective of the FED has been to ensure that its monetary policy supports a rate of economic growth that is consistent with low inflation and price stability.

Employment remains robust, as the monthly unemployment rate has fallen to 4.1 percent. This is even lower than the 4.5-percent rate for all of 1998.

Inflation in 1999 was at a historically low level. The Consumer Price Index [CPI] increased 2.2 percent in 1999, (up from 1.6 percent in 1998). Interest-rate-sensitive sectors have continued to do well, even with higher interest rates. For example, auto and truck vehicle sales reached 17.4 million in 1999, the best performance in many years. Perhaps more than other sectors, housing has benefited from the improved economic environment. Strong household income gains, high levels of consumer confidence and home mortgage rates among the lowest in the last 30 years, have led to record home ownership rate. Sales of new homes are nearly the highest since record keeping started in 1963. Yet prices have picked up only slightly and builders have not responded with excessive over-building.

SUMMARY OF CBO ECONOMIC FORECAST THROUGH 2010

CBO forecasts that real economic growth will gradually slow from its pace of 4.3 percent in the past 3 years, to 3.3 percent in 2000 and 3.1 percent in 2001, and then 2.6 percent between 2002 and 2004 before rising to about 2.9 percent. Table 1 compares the forecasts of CBO with the Office of Management and Budget [OMB] and the Blue Chip's latest forecasts. Blue Chip forecasts, a survey of about 50 private forecasts, is commonly used to represent the consensus of private forecasts. They are, on average, slightly more optimistic than OMB and CBO, with higher growth for 2000 at 4.1 percent (instead of CBO's and OMB's 3.3 percent), as well as higher 5-year averages, topping 3 percent (instead of the 2.8 percent of CBO and OMB).

Most analysts report no obvious signs of imbalance, and therefore believe no recession is likely in the forecast period. CBO agrees.

After 2002, CBO's longer-term projections are based on trends in the labor force, productivity, and saving. For the period after 2002, CBO projects that the economy will grow between 2.6 percent and 3.1 percent, adjusted for inflation. Also, CBO's long-term projections assume that the FED will pursue a low-inflation environment that supports a rate of economic growth close to its long-term potential.

COMPARISON OF FORECASTS

The CBO economic forecast is typically compared with that of OMB and the Blue Chip. Blue Chip Consensus reports averages for each forecast variable with no attempt to make them internally consistent, unlike CBO and OMB forecasts, which do.

In the latest and recent past forecasts, OMB and CBO have been very close in their economic projections, well within the average errors of such forecasts. In the past 2 years, both have been conservative, underestimating the strength of the economy. Both assume

that the economy will slow from its current pace in the next few years to about 2.5 percent by 2003. Both have roughly the same average real growth rates, at about 2.8 percent over both 5 years and 10 years. Almost all variables are about the same except OMB has higher interest rates than CBO.

REVIEW OF REVENUE PROJECTIONS

In recent years, forecasters have generally underestimated growth of the economy and the tax base, and overestimated inflation and interest rates. Projections of persistent Federal deficits have turned into ever larger surpluses mainly on the basis of unexpectedly strong receipts in recent years. Revenues have outgrown GDP growth in the past 4 years by at least 2 percent each year, so that the share of federal government in the economic output, 21.6 percent in 1999—one measure of the size of government—is currently a post-WWII record.

CBO has continually revised its estimates of surpluses upward, due to growing revenue. About half or more of recent surplus improvements are due to the strength in revenues collected (rest is from lower outlays). In the projection period years, outlays are lower due to reduced debt service outlays from lower national debt and reductions in Medicare outlays. CBO also found significant improvement in long-term economic trends.

Most of the surge in unexpected tax revenues has been in individual taxes, from stronger-than-expected personal income growth due to the economy, a rise in the effective tax rate, and continued high capital gains realizations, probably related to the boom in the stock market. CBO notes that the first two reasons may be why individual taxes are growing at twice the rate of personal incomes.

WHY REVENUES SHOULD BE HIGHER IN THE NEAR TERM

There are reasons for optimism that near-term revenues will be higher than forecast, and some of these effects may appear in CBO's summer update. Among the reasons are the following:

- Although CBO assumes revenue growth of 6.5 percent for the year, that growth was 8.6 percent at the beginning of the year.
- Incomes are growing faster than expected. Corporate profits, reflecting the stock market, and corporate earnings are widely assumed to be improving.
- A vast pool of wealth has accumulated in recent years. Households have improved their net worth, through stock market gains and rising home values. This high stock of wealth may sustain consumer spending. The realization of stock market gains will increase capital gains tax revenues.
- State tax receipts continue growing. For the fourth year, States report revenues were 5.7 percent higher in 1999 than 1998, which in turn were 6.9 percent higher than the previous year. This was true even as 19 States enacted tax cuts.
- Individual withheld income taxes, reflecting the strength of the economy, are growing at 7 percent. Tax liabilities will grow faster than income because of the highly progressive nature of the tax system.

—Recent favorable revenue developments may be more durable, provided that sound fiscal, monetary, and regulatory policies are pursued.

TABLE 1.—COMPARISON OF ECONOMIC ASSUMPTIONS
[Calendar years 2000–2010]

	Actual 1999	Forecast		Projected			
		2000	2001	2002	2003	2004	2005
Real GDP (percent year over year):							
CBO	4.1	3.3	3.1	2.8	2.6	2.6	2.7
OMB .....	.....	3.3	2.7	2.5	2.5	2.8	3.0
Blue Chip .....	.....	4.1	3.1	2.8	2.8	3.3	3.3
GDP Price Index (percent year over year):							
CBO	1.4	1.6	1.6	1.7	1.7	1.7	1.7
OMB .....	.....	1.6	2.0	2.0	2.0	2.0	2.0
Blue Chip .....	.....	1.8	2.0	2.0	2.1	2.1	2.0
Consumer Price Inflation (percent year over year):							
CBO .....	.....	2.2	2.5	2.4	2.5	2.5	2.5
OMB .....	.....	2.6	2.4	2.6	2.6	2.6	2.6
Blue Chip .....	.....	2.6	2.6	2.6	2.6	2.5	2.4
Unemployment Rate (annual rate):							
CBO	4.2	4.1	4.2	4.4	4.7	4.8	5.0
OMB .....	.....	4.2	4.5	5.0	5.2	5.2	5.2
Blue Chip .....	.....	4.0	4.2	4.5	4.7	4.7	4.7
3-month Treasury Bills Rate (annual rate):							
CBO	4.6	5.4	5.6	5.3	4.9	4.8	4.8
OMB .....	.....	5.2	5.2	5.2	5.2	5.2	5.2
Blue Chip .....	.....	5.8	5.9	5.5	5.4	5.4	5.4
10-year Treasury Note rate (annual rate):							
CBO	5.7	6.3	6.4	6.1	5.8	5.7	5.7
OMB .....	.....	6.1	6.1	6.1	6.1	6.1	6.1
Blue Chip .....	.....	6.5	6.4	6.2	6.1	6.1	5.9
Corporate (Book) Profits (percent of GDP):							
CBO	9.1	8.6	8.2	7.8	7.6	7.4	7.3
OMB .....	.....	8.7	8.2	7.8	7.4	7.3	7.3
Wage and Salary (percent of GDP):							
CBO	48.5	48.8	48.8	48.9	48.9	48.9	48.9
OMB .....	.....	48.6	48.7	48.6	48.5	48.3	48.2

Sources: CBO, OMB, Blue Chip Economic Indicators (Mar. 10, 2000).

TABLE 2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION
[Calendar years 2000–2010]

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Real GDP (percent year over year):	3.3	3.1	2.8	2.6	2.6	2.7	2.7	2.7	2.7	2.9	2.9
GDP Price Index (percent year over year):	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Consumer Price Inflation (percent year over year):	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Unemployment Rate (annual rate):	4.1	4.2	4.4	4.7	4.8	5.0	5.0	5.1	5.2	5.2	5.2
3-month Treasury Bills Rate (annual rate):	5.4	5.6	5.3	4.9	4.8	4.8	4.8	4.8	4.8	4.8	4.8
10-year Treasury Note rate (annual rate):	6.3	6.4	6.1	5.8	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Corporate (Book) Profits (percent of GDP):	8.6	8.2	7.8	7.6	7.4	7.3	7.3	7.3	7.2	7.2	7.1
Wage and Salary (percent of GDP):	48.8	48.8	48.9	48.9	48.9	48.9	48.9	48.8	48.8	48.8	48.8

FACTORS BEHIND THE PRODUCTIVITY SURGE

Most analysts believe that the productivity surge is due mainly to some combination of the following:

- An increase in capital per worker, especially from computer and software.
- Increased quality of the workforce as education and experience have increased.
- Productivity growth in the computer manufacturing sector, reflected in lower prices.
- New efficiencies from computer technologies and communications, especially from the Internet.

TABLE 3.—PRODUCTIVITY TRENDS
[Percentage]

	Average Annual Rate	
	Actual	Projected
1947–1973	2.7	.....
1974–1999	1.5	.....
1996–1999	2.6	.....
CBO 2000–2010 .....	.....	2.3
OMB 1999–2010 .....	.....	2.0

BENEFITS OF HIGHER PRODUCTIVITY

Higher productivity is the reason standards of living improve. It restrains inflation, allowing the unemployment rate to fall. It boosts stock market values and economic growth. Productivity improvements have led some to even suggest that the United States is much less subject to the business cycle, due to improved production and inventory systems, increased international competition and capacity, and rapid innovation.

Labor productivity since 1996 has accelerated about 2.6 percent per year instead of the 1.5-percent average per year since 1973. CBO assumes most of this recent acceleration is permanent, allowing for a “trend productivity” growth of 2.3 percent. (Trend productivity is a calculated number of what the potential or cyclically adjusted labor productivity might be. It includes the contribution from capital in addition to labor productivity and is the productivity that matters for the long range.) This implies a potential growth rate of about 3.1 percent.

The continuation of the economic performance in 1999 gives further support to the possibility that there is indeed a structural shift in the economy as “New Era” proponents have long suggested. Many believe there are important structural shifts in the economy related to technology and globalization that has enabled more production and less constraint from capacity that might explain the current economic performance of high growth with low inflation.

To be sure, good fiscal and monetary policy are crucial in setting a stable economic climate for allowing the private sector to do its job of raising living standards. The economy may be less cyclical and more competitive, hence more capable of delivering better growth and unemployment performance consistent with stable low

inflation. The list of favorable trends, many which are complementary and have been ongoing for a long time, is extensive and includes the following:

- Advances in technology, especially information and biotechnology—led mainly by the United States—are powering a new age of information.
- Corporations have become much more efficient. The trend in corporate governance now that emphasizes shareholder value is also cited as an important factor to help align managers interests with those of shareholders.
- Global inflation has been stable or declining.
- Globalization, which has greatly increased potential markets and made production more flexible, especially in location of plants and in the ability to outsourcing supplies. This has kept inflation low and increased competition.
- International financial markets are becoming increasing deregulated and becoming more integrated, supporting huge flows of capital, aided by information technology.
- The end of the cold war has lowered risks associated with international investing.
- The end of Federal budget deficits over the projected period eased pressure on interest rates, although long-term structural imbalances in the budget remain due to Government entitlement programs.

All of these factors should result in higher trend productivity levels and growth rates but are as yet difficult to disentangle in economic statistics. Confounding the critics, the high levels of labor productivity in the past 2 years have continued, rather than dissipating as in the past. This may be evidence that the payoff from many of these trends, especially the huge investment in information technology is finally paying off, that this rebound is not a normal cyclical event. Measurement problems in productivity, especially in the service sectors such as banking and insurance where the output may be hard to define, is also cited.

Function 050: National Defense

FUNCTION SUMMARY

The National Defense function includes funds to develop, maintain, and equip the military forces of the United States. Roughly 95 percent of the funding in this function goes to Department of Defense-military activities, including funds for ballistic missile defense. That component also includes pay and benefits for military and civilian personnel; research, development, testing, and evaluation; procurement of weapons systems; military construction and family housing; and operations and maintenance of the defense establishment. The remaining funding in the function goes toward atomic energy defense activities of the Department of Energy, and other defense-related activities.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$307.3 billion in budget authority [BA] and \$298.6 billion in outlays in fiscal year 2001. The 5-year spending totals are \$1,590.7 billion in BA and \$1,559.1 billion in outlays. Mandatory spending in this function would be $-\$1.0$ billion in BA and $-\$1.0$ billion in outlays in fiscal year 2001, and $-\$4.4$ billion in BA and outlays over 5 years.

FUNCTION 050: NATIONAL DEFENSE

[In billions of dollars]

	2001	2001-2005
Budget Authority	306.3	1,586.3
Outlays	297.6	1,554.7

Function 150: International Affairs

FUNCTION SUMMARY

Funds distributed through the International Affairs function provide for international development and humanitarian assistance; international security assistance; the conduct of foreign affairs; foreign information and exchange activities; and international financial programs. The major departments and agencies in this function include the Department of State, the Department of the Treasury, and the Agency for International Development.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$19.7 billion in budget authority [BA] and \$21.3 billion in outlays in fiscal year 2001. The 5-year spending totals are \$94.4 billion in BA and \$99.0 billion in outlays. Mandatory spending in this function would be –\$0.2 billion in BA and –\$4.0 billion in outlays in fiscal year 2001, and a net of zero in BA and –\$18.4 billion in outlays over 5 years.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	2001	2001–2005
Budget Authority	19.5	94.4
Outlays	17.3	80.6

Function 250: General Science, Space, and Technology

FUNCTION SUMMARY

The General Science, Space, and Technology function consists of funds in two major categories: general science and basic research, and space flight, research, and supporting activities. The general science component includes the budgets for the National Science Foundation [NSF], and the fundamental science programs of the Department of Energy [DOE]. But the largest component of the function—about two-thirds of its total—is for space flight, research, and supporting activities of the National Aeronautics and Space Administration [NASA] (except for NASA’s air transportation programs, which are included in Function 400).

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$19.7 billion in budget authority [BA] and \$19.2 billion in outlays in fiscal year 2001. The 5-year spending totals are \$100.0 billion in BA and \$97.7 billion in outlays. Mandatory spending in this function would be \$0.1 billion in BA and \$0.1 billion in outlays in fiscal year 2001, and \$0.1 billion in BA and \$0.2 billion in outlays over 5 years.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	2001	2001-2005
Budget Authority	19.8	100.1
Outlays	19.3	97.9

Function 270: Energy

FUNCTION SUMMARY

The Energy function reflects the civilian activities in the Department of Energy. Through this function, spending is provided for energy supply programs; rural electricity and telecommunications loans, administered through the Department of Agriculture; and electric power generation and transmission programs for the three Power Marketing Administrations. The function also provides funds for energy conservation programs; emergency energy preparedness; and energy information, policy, and regulation programs, and the operations of the Nuclear Regulatory Commission, which oversees the nuclear power industry.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$2.8 billion in budget authority [BA] and outlays in fiscal year 2001. The 5-year spending totals are \$12.2 billion in BA and \$12.6 billion in outlays. Mandatory spending in this function would be -\$1.6 billion in BA and -\$2.9 billion in outlays in fiscal year 2001, and -\$9.1 billion in BA and -\$15.6 billion in outlays over 5 years.

FUNCTION 270: ENERGY

(In billions of dollars)

	2001	2001-2005
Budget Authority	1.2	3.1
Outlays	-0.1	-3.0

Function 300: Natural Resources and Environment

FUNCTION SUMMARY

Funds distributed through the Natural Resources and Environment function are intended to develop, manage, and maintain the Nation's natural resources, and to promote a clean environment. Funding is provided for water resources, conservation and land management, recreational resources, pollution control and abatement, and other natural resources. The major departments and agencies in this function are the Department of the Interior, including the National Park Service, the Bureau of Land Management, the Bureau of Reclamation, and the Fish and Wildlife Service; certain agencies in the Department of Agriculture, including principally the Forest Service; the National Oceanic and Atmospheric Administration [NOAA], in the Department of Commerce; the Army Corps of Engineers; and the Environmental Protection Agency.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$24.3 billion in budget authority [BA] and \$24.1 billion in outlays in fiscal year 2001. The 5-year spending totals are \$122.5 billion in BA and \$122.0 billion in outlays. Mandatory spending in this function would be \$0.7 billion in BA and \$0.7 billion in outlays in fiscal year 2001, and \$3.5 billion in BA and \$3.4 billion in outlays over 5 years. The budget provides additional funds each year for a healthy, clean, and safe environment. In addition, the budget resolution assumes that the program of Pacific Northwest salmon recovery should be made a high-priority item.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In billions of dollars]

	2001	2001-2005
Budget Authority	25.0	126.0
Outlays	24.8	125.4

Function 350: Agriculture

FUNCTION SUMMARY

The Agriculture function includes funds for direct assistance and loans to food and fiber producers, export assistance, market information and inspection services, and agricultural research and services.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$4.5 billion in budget authority [BA] and \$4.4 billion in outlays in fiscal year 2001. The 5-year spending totals are \$22.5 billion in BA and \$22.0 billion in outlays. Mandatory spending in this function would be \$14.6 billion in BA and \$12.5 billion in outlays in fiscal year 2001, and \$65.5 billion in BA and \$57.2 billion in outlays over 5 years.

The budget provides \$6 billion in immediate income assistance to the Nation's farmers, as well as Federal crop insurance reform.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	2001	2001-2005
Budget Authority	19.1	88.0
Outlays	16.9	79.2

Function 370: Commerce and Housing Credit

FUNCTION SUMMARY

The mortgage credit component of this function includes housing assistance through the Federal Housing Administration [FHA], and rural housing programs of the Department of Agriculture. The function includes spending for deposit insurance activities related to banks, thrifts, and credit unions. Also included is funding for the Commerce Department's National Institute of Standards and Technology, including the Advanced Technology Program [ATP] and the Manufacturing Extension Program [MEP]; the National Telecommunications and Information Administration; the Bureau of the Census; and independent agencies such as the Securities and Exchange Commission, the Commodity Futures Trading Commission, and the Federal Communications Commission.

The function also includes net spending for the postal service, but these totals are off budget, and therefore are not reflected in the figures below.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The on-budget totals for this function are as follows: For discretionary spending, the budget resolution calls for \$2.7 billion in budget authority [BA] and \$3.2 billion in outlays in fiscal year 2001. The 5-year spending totals are \$15.0 billion in BA and \$15.3 billion in outlays. Mandatory spending in this function would be \$3.6 billion in BA and -\$0.9 billion in outlays in fiscal year 2001, and \$36.6 billion in BA and \$15.0 billion in outlays over 5 years.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

[On-budget totals, in billions of dollars]

	2001	2001-2005
Budget Authority	6.3	51.6
Outlays	2.3	30.3

Function 400: Transportation

FUNCTION SUMMARY

This function supports all major Federal transportation programs. About two-thirds of the funding provided here is for ground transportation programs. This includes the Federal-aid highway program, and mass transit operating and capital assistance. Also under ground transportation are rail transportation through the National Rail Passenger Corporation [Amtrak], and high-speed rail and rail safety programs. Additional components of this function are air transportation, including the Federal Aviation Administration [FAA] airport improvement program, the facilities and equipment program, and the operation of the air traffic control system; water transportation through the Coast Guard and the Maritime Administration; and other transportation support activities. Funds for air transportation programs under the auspices of NASA are distributed through this function as well.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$15.7 billion in budget authority [BA] and \$48.2 billion in outlays in fiscal year 2001. The 5-year spending totals are \$82.4 billion in BA and \$258.4 billion in outlays. Mandatory spending in this function would be \$43.5 billion in BA and \$2.1 billion in outlays in fiscal year 2001, and \$210.6 billion in BA and \$9.4 billion in outlays over 5 years.

FUNCTION 400: TRANSPORTATION

[In billions of dollars]

	2001	2001-2005
Budget Authority	59.2	293.0
Outlays	50.3	267.8

Function 450: Community and Regional Development

FUNCTION SUMMARY

The Community and Regional Development function reflects programs that provide Federal funding for economic and community development in both urban and rural areas. Funding for disaster relief and insurance—including activities of the Federal Emergency Management Agency—also are provided in this function.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$9.1 billion in budget authority [BA] and \$11.7 billion in outlays in fiscal year 2001. The 5-year spending totals are \$43.1 billion in BA and \$49.0 billion in outlays. Mandatory spending in this function would be a net of zero in BA and $-\$0.6$ billion in outlays in fiscal year 2001, and $-\$0.2$ billion in BA and $-\$3.3$ billion in outlays over 5 years.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	2001	2001–2005
Budget Authority	9.1	42.9
Outlays	11.1	45.7

Function 500: Education, Training, Employment, and Social Services

FUNCTION SUMMARY

Forty-five percent of the funding in the Education, Training, Employment, and Social Services function is for Federal programs in elementary, secondary, and vocational education. Also shown here are funds for higher education programs, accounting for about 23 percent of the function's spending; research and general education aids, including the National Endowment for the Arts and the National Endowment for the Humanities; training and employment services; other labor services; and grants to States for general social services and rehabilitation services, such as the Social Services Block Grant and vocational rehabilitation.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$56.8 billion in budget authority [BA] and \$52.9 billion in outlays in fiscal year 2001. The 5-year spending totals are \$293.6 billion in BA and \$281.1 billion in outlays. Mandatory spending in this function would be \$15.8 billion in BA and \$16.3 billion in outlays in fiscal year 2001, and \$81.9 billion in BA and \$81.1 billion in outlays over 5 years.

The top priority of this education budget is the Individuals with Disabilities Education Act [IDEA]. It is the Committee's view that the Congress and the President should together reach an agreement on meeting the commitment to appropriate 40 percent of the national per-pupil expenditure for children with disabilities by a date certain. The budget also promotes higher quality education through greater decision-making control and flexibility for States and localities, and rejects the President's cuts in Title VI, Impact Aid, and student loan programs.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[In billions of dollars]

	2001	2001-2005
Budget Authority	72.6	375.5
Outlays	69.2	362.2

Function 550: Health

FUNCTION SUMMARY

The Health function consists of health care services, including Medicaid, the Nation's major program covering medical and long-term care costs for low-income persons; health research and training; and consumer and occupational health and safety. Medicaid represents about 88 percent of the spending in this function.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$34.9 billion in budget authority [BA] and \$33.9 billion in outlays in fiscal year 2001. The 5-year spending totals are \$179.9 billion in BA and \$173.3 billion in outlays. Mandatory spending in this function would be \$134.8 billion in BA and \$133.2 billion in outlays in fiscal year 2001, and \$788.2 billion in BA and \$787.6 billion in outlays over 5 years.

FUNCTION 550: HEALTH

[In billions of dollars]

	2001	2001-2005
Budget Authority	169.7	968.1
Outlays	167.1	960.9

Function 570: Medicare

FUNCTION SUMMARY

This function reflects the Medicare Part A Hospital Insurance [HI] Program, Part B Supplementary Medical Insurance [SMI] Program, and premiums paid by qualified aged and disabled beneficiaries. It includes the “Medicare+Choice” Program, which covers Part A and Part B benefits and allows beneficiaries to choose certain private health insurance plans. Medicare+Choice plans may include health maintenance organizations, preferred provider organizations, provider-sponsored organizations, medical savings accounts (up to 390,000 covered individuals), and private fee-for-service plans. These plans may add benefits such as outpatient prescription drug coverage, and may cover premiums, copayments, and deductibles required by the traditional Medicare Program.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the resolution calls for \$3.1 billion in budget authority [BA] and \$3.1 billion in outlays in fiscal year 2001. The 5-year spending totals are \$15.5 billion in BA and \$15.5 billion in outlays. Mandatory spending would be \$212.6 billion in BA and \$212.9 billion in outlays in fiscal year 2001, and \$1,195.5 billion in BA and \$1,195.8 billion in outlays over 5 years.

FUNCTION 570: MEDICARE

[In billions of dollars]

	2001	2001-2005
Budget Authority	215.7	1,211.0
Outlays	216.0	1,211.3

The resolution creates a \$40-billion reserve fund for Medicare reform and prescription drugs. It rejects the President’s proposed \$16-billion cut in Medicare provider payments; his \$2.2 billion in additional out-of-pocket costs for Medicare beneficiaries; his \$1.8 billion in additional fees on doctors, hospitals, and other providers; and his cuts to prescription drugs needed by cancer and kidney dialysis patients.

Function 600: Income Security

FUNCTION SUMMARY

The Income Security function covers most of the Federal Government's income support programs. The function includes general retirement and disability insurance (excluding Social Security)—mainly through the Pension Benefit Guaranty Corporation [PBGC]—and benefits to railroad retirees. Other components are Federal employee retirement and disability benefits (including military retirees); unemployment compensation; low-income housing assistance; food and nutrition assistance; and other income security programs. This last category includes Temporary Assistance to Needy Families [TANF], the Government's principal welfare program; Supplemental Security Income [SSI]; and spending for the refundable portion of the Earned Income Credit [EIC]. Agencies involved in these programs include the Departments of Agriculture, Health and Human Services, Housing and Urban Development, and Education; the Social Security Administration (for SSI); and the Office of Personnel Management (for Federal retirement benefits).

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$35.2 billion in budget authority [BA] and \$41.9 billion in outlays in fiscal year 2001. The 5-year spending totals are \$189.4 billion in BA and \$211.1 billion in outlays. Mandatory spending in this function would be \$217.0 billion in BA and \$213.0 billion in outlays in fiscal year 2001, and \$1,173.6 billion in BA and \$1,160.6 billion in outlays over 5 years.

FUNCTION 600: INCOME SECURITY

[In billions of dollars]

	2001	2001-2005
Budget Authority	252.2	1,363.0
Outlays	254.9	1,371.7

Function 650: Social Security

FUNCTION SUMMARY

Function 650 consists of the Social Security Program, or Old Age, Survivors, and Disability Insurance [OASDI]. It is the largest budget function in terms of outlays, and provides funds for the Government's largest entitlement program. Under provisions of the Budget Enforcement Act, Social Security trust funds are off budget, and therefore are not reflected in the figures below. The administrative expenses of the Social Security Administration [SSA], which manages the program, are on budget.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The on-budget totals for this function are as follows: For discretionary spending, the budget resolution calls for \$3.4 billion in budget authority [BA] and \$3.3 billion in outlays in fiscal year 2001. The 5-year spending totals are \$17.5 billion in BA and \$17.2 billion in outlays. Mandatory spending in this function would be \$9.7 billion in BA and \$9.7 billion in outlays in fiscal year 2001, and \$60.2 billion in BA and \$60.2 billion in outlays over 5 years.

FUNCTION 650: SOCIAL SECURITY

[On-budget totals, in billions of dollars]

	2001	2001-2005
Budget Authority	13.0	77.7
Outlays	13.1	74.4

Function 700: Veterans Benefits and Services

FUNCTION SUMMARY

The Veterans Benefits and Services function reflects funding for the Department of Veterans Affairs [VA], which provides benefits to veterans who meet various eligibility rules. Benefits range from income security for veterans; veterans education, training, and rehabilitation services; and hospital and medical care for veterans. There were about 24.4 million veterans and more than 40 million members of their families as of 1 July 1999.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

Total funding for VA programs is \$47.8 billion for fiscal year 2001. The budget includes a \$100-million increase for veterans' medical care above the level requested in the President's fiscal year 2001 budget. In addition, the resolution assumes continued authority for the VA to spend receipts associated with the furnishing of medical care.

For discretionary spending, the budget resolution calls for \$22.2 billion in budget authority [BA] and \$22.0 billion in outlays in fiscal year 2001. The 5-year spending totals are \$115.0 billion in BA and \$114.3 billion in outlays. Mandatory spending in this function would be \$25.6 billion in BA and \$25.4 billion in outlays in fiscal year 2001, and \$139.9 billion in BA and \$139.2 billion in outlays over 5 years.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	2001	2001-2005
Budget Authority	47.8	254.9
Outlays	47.8	253.5

Function 750: Administration of Justice

FUNCTION SUMMARY

The first component of the Administration of Justice function consists of funding for Federal law enforcement activities. This includes criminal investigations by the Federal Bureau of Investigation [FBI] and the Drug Enforcement Administration [DEA], and border enforcement and the control of illegal immigration by the Customs Service and Immigration and Naturalization Service [INS]. Also funded through this function are the Federal courts; Federal prison construction; and criminal justice assistance.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$26.9 billion in budget authority [BA] and \$27.1 billion in outlays in fiscal year 2001. The 5-year spending totals are \$136.8 billion in BA and \$136.6 billion in outlays. Mandatory spending in this function would be \$1.1 billion in BA and \$0.9 billion in outlays in fiscal year 2001, and \$3.5 billion in BA and \$3.3 billion in outlays over 5 years.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In billions of dollars]

	2001	2001-2005
Budget Authority	28.0	140.3
Outlays	28.0	139.9

Function 800: General Government

FUNCTION SUMMARY

The General Government function consists of the activities of the Legislative Branch; the Executive Office of the President; general tax collection and fiscal operations of the Department of Treasury (including the Internal Revenue Service); the property and personnel costs of the General Services Administration and the Office of Personnel Management; general purpose fiscal assistance to States, localities, the District of Columbia, and U.S. territories; and other general Government activities. The Internal Revenue Service accounts for about half of the spending in this function.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for \$12.4 billion in budget authority [BA] and \$13.0 billion in outlays in fiscal year 2001. The 5-year spending totals are \$62.0 billion in BA and \$63.1 billion in outlays. Mandatory spending in this function would be \$1.2 billion in BA and \$1.2 billion in outlays in fiscal year 2001, and \$5.8 billion in BA and \$5.9 billion in outlays over 5 years.

FUNCTION 800: GENERAL GOVERNMENT

(In billions of dollars)

	2001	2001-2005
Budget Authority	13.6	67.8
Outlays	14.2	69.0

Function 900: Net Interest

FUNCTION SUMMARY

Net Interest is the interest paid for the Federal Government's borrowing. Function 900 is a mandatory payment, with no discretionary components.

FUNCTION 900: NET INTEREST

(In billions of dollars)

	2001	2001-2005
Budget Authority	288.5	1,420.8
Outlays	288.5	1,420.8

Function 920: Allowances

FUNCTION SUMMARY

The Allowances function is used for planning purposes to address the budgetary effects of proposals or assumptions that cross various other budget functions. Once such changes are enacted, the budgetary effects are distributed to the appropriate budget functions.

SUMMARY OF COMMITTEE—REPORTED RESOLUTION

For discretionary spending, the budget resolution calls for $-\$4.2$ billion in budget authority [BA] and $-\$8.6$ billion in outlays in fiscal year 2001. The 5-year spending totals are $-\$12.2$ billion in BA and $-\$15.2$ billion in outlays.

FUNCTION 920: ALLOWANCES

[In billions of dollars]

	2001	2001-2005
Budget Authority	-4.2	-12.2
Outlays	-8.6	-15.2

Function 950: Undistributed Offsetting Receipts

FUNCTION SUMMARY

Receipts recorded in this function 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 kind of business transaction with the Government). The main types of receipts recorded in this function are: the payments Federal employees and agencies make to employee retirement trust funds; 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 public property or resources, such as the electromagnetic spectrum. These receipts are treated as negative spending.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

There is no discretionary spending in this function. Mandatory spending in this function would be $-\$38.4$ billion in BA and outlays in fiscal year 2001, and $-\$197.7$ billion in BA and outlays over 5 years.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

[In billions of dollars]

	2001	2001-2005
Budget Authority	- 38.4	- 197.7
Outlays	- 38.4	- 197.7

REVENUES

FUNCTION SUMMARY

The Revenues function reflects all of the Federal Government's various tax receipts. This includes individual income taxes; corporate income taxes; social insurance taxes, such as the Social Security payroll tax; excise taxes, such as the gasoline tax; and other taxes, such as estate and gift taxes.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

This budget provides tax relief and fairness for families, small businesses, and farmers. It repeals the marriage penalty and gives assistance with health insurance and health care.

Total Federal revenues are at 20.0 percent of Gross Domestic Product [GDP] this year, and are expected to rise to 20.4 percent in the coming year. In only one year—1944 when American forces liberated Europe—has America ever claimed a higher portion of GDP for taxes. Tax revenues were 17.6 percent of GDP in 1993, the year President Clinton signed his \$268-billion tax increase.

The Congressional Budget Office estimated that in 1995 almost 27 million married couples paid a marriage penalty that averaged \$1,200. In addition, the marriage penalty was estimated to drive down work effort and to further reduce a couple's earnings by an additional 1 percent. It is clearly unfair that people pay higher taxes just because they are married. This resolution calls for elimination of this perverse marriage penalty.

This budget provides for eliminating the marriage penalty, and allows Congress to provide other assistance to families, small businesses, and farmers. It repeals the unfair Social Security earnings test, which penalizes seniors who want to work. The budget also leaves room for education assistance, a phaseout of the death tax, and incentives for health insurance and health care.

Over 5 years, the budget provides for at least \$150 billion in tax cuts. The budget provides \$10 billion in tax relief in fiscal year 2001 alone. In addition, it creates a \$50-billion reserve dedicated to either additional tax relief or additional debt relief. The resolution also allows for any future increases in the non-Social Security surplus to be added to this fund.

In contrast, the President and Vice President would impose \$10 billion in net tax increases in fiscal year 2001.

REVENUES

[In billions of dollars]

	2001	2001-2005
Total Revenues	2,006.3	10,763.2

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
TOTAL SPENDING AND REVENUES

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001-2005
SUMMARY							
Total Spending:							
BA	1,801.8	1,856.6	1,897.4	1,952.8	2,012.5	2,082.5	9,801.8
O	1,784.0	1,823.3	1,876.5	1,930.7	1,989.6	2,059.5	9,679.6
On-Budget:							
BA	1,475.1	1,520.7	1,554.6	1,600.8	1,651.2	1,709.9	8,037.2
O	1,457.3	1,487.5	1,533.7	1,578.8	1,628.4	1,686.9	7,915.3
Off-Budget:							
BA	326.7	335.9	342.8	352.0	361.3	372.6	1,764.6
O	326.7	335.8	342.8	351.9	361.2	372.6	1,764.3
Revenues							
Total	1,945.1	2,006.3	2,074.3	2,145.7	2,220.5	2,316.4	10,763.2
On-Budget	1,465.5	1,504.8	1,549.4	1,598.5	1,650.6	1,719.1	8,022.4
Off-Budget	479.6	501.5	524.9	547.2	569.9	597.3	2,740.8
Surplus/Deficit (—)							
Total	161.1	183.0	197.8	215.0	230.9	256.9	1,083.6
On-Budget	8.2	17.3	15.7	19.7	22.2	32.2	107.1
Off-Budget	152.9	165.7	182.1	195.3	208.7	224.7	976.5
Debt Held by the Public (end of year)	3,470.3	3,300.0	3,107.8	2,904.3	2,684.3	2,437.0	na
Debt Subject to Limit (end of year)	5,640.3	5,710.6	5,787.4	5,870.3	5,946.1	6,010.8	na
BY FUNCTION							
National Defense (050):							
BA	288.9	306.3	309.3	315.6	323.4	331.7	1,586.3
O	282.5	297.6	302.0	309.4	317.6	328.1	1,554.7
International Affairs (150):							
BA	20.1	19.5	19.3	18.8	18.3	18.5	94.4
O	15.5	17.3	17.2	16.1	15.2	14.8	80.6
General Science, Space, and Technology (250):							
BA	19.3	19.8	19.9	20.0	20.1	20.3	100.1
O	18.5	19.3	19.6	19.6	19.6	19.8	97.9
Energy (270):							
BA	1.1	1.2	0.7	0.5	0.4	0.3	3.1
O	-0.6	-0.1	-0.4	-0.7	-0.9	-0.9	-3.0
Natural Resources and Environment (300):							
BA	24.3	25.0	25.1	25.2	25.3	25.4	126.0
O	24.2	24.8	25.1	25.2	25.2	25.1	125.4
Agriculture (350):							
BA	35.7	19.1	18.5	17.6	17.0	15.8	88.0
O	34.3	16.9	16.7	15.9	15.5	14.2	79.2
Commerce and Housing Credit (370):							
BA	8.5	6.9	9.0	10.3	13.6	13.5	53.3
O	4.1	2.9	5.3	5.5	8.7	9.6	32.0
On-budget:							
BA	7.5	6.3	8.7	9.5	13.6	13.5	51.6
O	3.1	2.3	5.0	4.7	8.7	9.6	30.3
Off-budget:							
BA	1.0	0.6	0.3	0.8	—	—	1.7
O	1.0	0.6	0.3	0.8	—	—	1.7

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
Transportation (400):							
BA	54.3	59.2	57.4	58.8	58.8	58.8	293.0
O	46.6	50.3	52.5	54.8	55.1	55.1	267.8
Community and Regional Development (450):							
BA	11.2	9.1	8.5	8.4	8.4	8.5	42.9
O	10.8	11.1	9.7	8.8	8.3	7.8	45.7
Education, Training, Employment and Social Services (500):							
BA	57.7	72.6	74.0	75.0	76.1	77.8	375.5
O	61.4	69.2	72.1	73.2	73.5	74.2	362.2
Health (550):							
BA	159.3	169.7	179.6	191.5	205.6	221.7	968.1
O	152.3	167.1	177.9	190.6	205.0	220.3	960.9
Medicare (570):							
BA	199.6	215.7	221.6	239.7	255.3	278.7	1,211.0
O	199.5	216.0	221.6	239.5	255.5	278.7	1,211.3
Income Security (600):							
BA	238.4	252.2	263.0	272.1	281.7	294.0	1,363.0
O	248.0	254.9	264.3	273.4	283.2	295.9	1,371.7
Social Security (650):							
BA	405.0	422.8	443.0	463.8	486.0	510.1	2,325.7
O	405.0	422.7	443.0	463.7	485.9	510.1	2,325.4
On-budget:							
BA	11.5	9.7	11.6	12.3	13.0	13.8	60.4
O	11.5	9.7	11.6	12.3	13.0	13.8	60.4
Off-budget ¹ :							
BA	393.5	413.1	431.4	451.5	473.0	496.3	2,265.3
O	393.5	413.0	431.4	451.4	472.9	496.3	2,265.0
Veterans Benefits and Services (700):							
BA	46.0	47.8	49.0	50.8	52.0	55.3	254.9
O	45.2	47.4	48.9	50.6	51.7	54.9	253.5
Administration of Justice (750):							
BA	27.3	28.0	27.8	27.9	28.2	28.4	140.3
O	28.0	28.0	28.0	27.9	27.9	28.1	139.9
General Government (800):							
BA	13.9	13.6	13.6	13.5	13.5	13.6	67.8
O	14.7	14.2	13.9	13.7	13.7	13.5	69.0
Net Interest (900):							
BA	224.6	219.0	209.9	195.0	179.4	162.6	965.9
O	224.6	219.0	209.9	195.0	179.4	162.6	965.9
On-budget:							
BA	284.6	288.5	290.0	285.8	281.0	275.5	1,420.8
O	284.6	288.5	290.0	285.8	281.0	275.5	1,420.8
Off-budget:							
BA	-60.0	-69.5	-80.1	-90.8	-101.6	-112.9	-454.9
O	-60.0	-69.5	-80.1	-90.8	-101.6	-112.9	-454.9
Allowances (920) ² :							
BA	8.5	-4.2	-1.5	-1.7	-2.3	-2.5	-12.2
O	11.5	-8.6	-0.5	-1.4	-2.2	-2.5	-15.2
Undistributed Offsetting Receipts (950):							
BA	-41.8	-46.7	-50.2	-50.2	-48.2	-50.1	-245.4
O	-41.8	-46.7	-50.2	-50.2	-48.2	-50.1	-245.4
On-budget:							
BA	-34.1	-38.4	-41.3	-40.7	-38.1	-39.2	-197.7
O	-34.1	-38.4	-41.3	-40.7	-38.1	-39.2	-197.7
Off-budget:							
BA	-7.7	-8.3	-8.9	-9.5	-10.1	-10.9	-47.7
O	-7.7	-8.3	-8.9	-9.5	-10.1	-10.9	-47.7

Notes:

¹ Includes administrative expenses.

² Includes the Administration's FY 2000 request for supplemental appropriations.

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
DISCRETIONARY SPENDING

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001-2005
SUMMARY							
Total Discretionary Spending:							
BA	578.2	596.5	607.4	615.9	624.9	635.6	3,080.3
O	615.2	622.1	639.3	648.3	655.6	666.7	3,232.0
Defense:							
BA	289.9	307.3	310.2	316.5	324.2	332.5	1,590.7
O	283.5	298.6	302.9	310.3	318.4	328.9	1,559.1
Nondefense:							
BA	288.3	289.2	297.2	299.4	300.7	303.1	1,489.6
O	331.7	323.5	336.4	338.0	337.2	337.8	1,672.9
BY FUNCTION							
National Defense (050):							
BA	289.9	307.3	310.2	316.5	324.2	332.5	1,590.7
O	283.5	298.6	302.9	310.3	318.4	328.9	1,559.1
International Affairs (150):							
BA	22.3	19.7	19.3	18.8	18.3	18.3	94.4
O	20.1	21.3	21.0	19.8	18.7	18.2	99.0
General Science, Space, and Technology (250):							
BA	19.2	19.7	19.9	20.0	20.1	20.3	100.0
O	18.4	19.2	19.5	19.5	19.6	19.8	97.7
Energy (270):							
BA	2.6	2.8	2.6	2.4	2.2	2.2	12.2
O	3.0	2.8	2.7	2.5	2.3	2.3	12.6
Natural Resources and Environment (300):							
BA	24.0	24.3	24.4	24.5	24.6	24.7	122.5
O	23.7	24.1	24.4	24.5	24.5	24.5	122.0
Agriculture (350):							
BA	4.5	4.5	4.5	4.5	4.5	4.5	22.5
O	4.5	4.4	4.4	4.4	4.4	4.4	22.0
Commerce and Housing Credit (370):							
BA	6.9	2.7	3.1	3.1	3.1	3.0	15.0
O	7.3	3.2	3.0	3.0	3.1	3.0	15.3
On-budget:							
BA	6.9	2.7	3.1	3.1	3.1	3.0	15.0
O	7.3	3.2	3.0	3.0	3.1	3.0	15.3
Off-budget:							
BA							
O							
Transportation (400):							
BA	14.4	15.7	16.3	16.8	16.8	16.8	82.4
O	44.3	48.2	50.8	52.9	53.2	53.3	258.4
Community and Regional Development (450):							
BA	11.4	9.1	8.5	8.5	8.5	8.5	43.1
O	11.5	11.7	10.3	9.5	9.0	8.5	49.0
Education, Training, Employment and Social Services (500):							
BA	44.5	56.8	57.7	58.7	59.7	60.7	293.6
O	49.1	52.9	55.8	57.2	57.5	57.7	281.1
Health (550):							
BA	33.7	34.9	35.5	36.0	36.5	37.0	179.9
O	28.9	33.9	33.8	34.7	35.2	35.7	173.3
Medicare (570):							
BA	3.1	3.1	3.1	3.1	3.1	3.1	15.5
O	3.1	3.1	3.1	3.1	3.1	3.1	15.5
Income Security (600):							
BA	29.9	35.2	38.3	38.5	38.6	38.8	189.4
O	42.4	41.9	42.2	42.2	42.3	42.5	211.1

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
DISCRETIONARY SPENDING—Continued

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
Social Security (650):							
BA	3.2	3.4	3.4	3.5	3.6	3.6	17.5
O	3.2	3.3	3.4	3.4	3.5	3.6	17.2
On-budget:							
BA							0.1
O							0.1
Off-budget ¹:							
BA	3.2	3.4	3.4	3.5	3.6	3.6	17.4
O	3.2	3.3	3.4	3.4	3.5	3.6	17.1
Veterans Benefits and Services (700):							
BA	20.9	22.2	22.6	23.0	23.4	23.8	115.0
O	20.4	22.0	22.6	22.9	23.2	23.6	114.3
Administration of Justice (750):							
BA	26.6	26.9	27.1	27.3	27.6	27.9	136.8
O	27.2	27.1	27.2	27.2	27.4	27.7	136.6
General Government (800):							
BA	12.6	12.4	12.4	12.4	12.4	12.4	62.0
O	13.1	13.0	12.7	12.6	12.4	12.4	63.1
Allowances (920) ²:							
BA	8.5	-4.2	-1.5	-1.7	-2.3	-2.5	-12.2
O	11.5	-8.6	-0.5	-1.4	-2.2	-2.5	-15.2

Notes:

¹Includes administrative expenses.

²Includes the Administration's FY 2000 request for supplemental appropriations.

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
MANDATORY SPENDING

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
SUMMARY							
Total Mandatory Spending:							
BA	1,223.6	1,260.1	1,289.9	1,336.9	1,387.6	1,446.9	6,721.4
O	1,168.8	1,201.1	1,237.1	1,282.4	1,334.0	1,392.8	6,447.4
On-budget:							
BA	900.1	927.6	950.6	988.4	1,029.9	1,077.9	4,974.4
O	845.3	868.6	897.7	933.9	976.3	1,023.8	4,700.3
Off-budget:							
BA	323.5	332.5	339.4	348.5	357.7	369.0	1,747.1
O	323.5	332.5	339.4	348.5	357.7	369.0	1,747.1
BY FUNCTION							
National Defense (050):							
BA	-1.0	-1.0	-0.9	-0.9	-0.8	-0.8	-4.4
O	-1.0	-1.0	-0.9	-0.9	-0.8	-0.8	-4.4
International Affairs (150):							
BA	-2.2	-0.2				0.2	
O	-4.6	-4.0	-3.8	-3.7	-3.5	-3.4	-18.4
General Science, Space, and Technology (250):							
BA	0.1	0.1					0.1
O	0.1	0.1	0.1				0.2
Energy (270):							
BA	-1.5	-1.6	-1.9	-1.9	1.8	-1.9	-9.1
O	-3.6	-2.9	-3.1	-3.2	-3.2	-3.2	-15.6
Natural Resources and Environment (300):							
BA	0.3	0.7	0.7	0.7	0.7	0.7	3.5
O	0.5	0.7	0.7	0.7	0.7	0.6	3.4

FISCAL YEAR 2001 BUDGET RESOLUTION AS REPORTED BY THE HOUSE BUDGET COMMITTEE
MANDATORY SPENDING—Continued

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
Undistributed Offsetting Receipts (950):							
BA	-41.8	-46.7	-50.3	-50.2	-48.2	-50.1	-245.5
O	-41.8	-46.7	-50.3	-50.2	-48.2	-50.1	-245.5
On-budget:							
BA	-34.1	-38.4	-41.3	-40.7	-38.1	-39.2	-197.7
O	-34.1	-38.4	-41.3	-40.7	-38.1	-39.2	-197.7
Off-budget:							
BA	-7.7	-8.3	-8.9	-9.5	-10.1	-10.9	-47.7
O	-7.7	-8.3	-8.9	-9.5	-10.1	-10.9	-47.7

HOUSE BUDGET COMMITTEE RECOMMENDATION MINUS THE PRESIDENT'S REQUEST TOTAL
SPENDING AND REVENUES

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
SUMMARY							
Total Spending:							
BA	7.1	-28.1	-30.9	-29.9	-45.0	-54.2	-188.1
O	6.1	-12.7	-25.1	-27.3	-43.8	-54.9	-163.8
On-Budget:							
BA	7.0	-28.0	-30.7	-29.6	-44.8	-53.9	-187.0
O	6.0	-12.5	-25.0	-27.0	-43.5	-54.6	-162.6
Off-Budget:							
BA	0.1	-0.1	-0.2	-0.3	-0.2	-0.3	-1.1
O	0.1	-0.2	-0.1	-0.3	-0.3	-0.3	-1.2
Revenues:							
Total	-0.6	-19.5	-22.8	-25.3	-41.4	-36.0	-145.1
On-Budget	-0.6	-19.5	-22.8	-25.3	-41.4	-36.0	-145.1
Off-Budget							
Surplus/Deficit (-):							
Total	-6.7	-6.7	2.4	1.9	2.5	18.9	18.9
On-Budget	-6.6	-6.9	2.2	1.6	2.2	18.6	17.7
Off-Budget	-0.1	0.2	0.2	0.3	0.3	0.3	1.2
BY FUNCTION							
National Defense (050):							
BA		1.0	0.3	0.2	0.3	0.3	2.1
O		0.4	0.3	0.3	0.3	0.3	1.6
International Affairs (150):							
BA		-3.1	-3.9	-4.7	-5.7	-6.2	-23.6
O		-1.6	-1.9	-3.2	-4.5	-5.3	-16.5
General Science, Space, and Technology (250):							
BA		-1.1	-1.3	-1.5	-2.0	-2.2	-8.1
O		-0.4	-1.0	-1.4	-1.8	-2.1	-6.7
Energy (270):							
BA		-0.2	-0.8	-0.8	-1.1	-1.2	-4.1
O		-0.4	-0.6	-0.7	-1.0	-1.1	-3.8
Natural Resources and Environment (300):							
BA		-1.4	-1.1	-0.7	-1.2	-1.7	-6.1
O		-0.8	-1.1	-0.8	-1.0	-1.3	-5.0
Agriculture (350):							
BA	6.0	-2.6	-1.4	1.5	1.5	1.6	0.6
O	5.9	-3.0	-1.9	1.3	1.6	1.6	-0.4
Commerce and Housing Credit (370):							
BA		-0.5	-0.3	-0.3	-0.5	-0.7	-2.3
O		-0.3	-0.1	-0.3	-0.4	-0.5	-1.6
On-budget:							
BA		-0.5	-0.3	-0.3	-0.5	-0.7	-2.3

HOUSE BUDGET COMMITTEE RECOMMENDATION MINUS THE PRESIDENT'S REQUEST TOTAL
SPENDING AND REVENUES—Continued

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
0		-0.3	-0.1	-0.3	-0.4	-0.5	-1.6
Off-budget:							
BA							
0							
Transportation (400):							
BA	0.6	0.4	1.8	1.7	0.4	-1.2	3.1
0		-0.3	0.2	1.1	0.6	-0.3	1.3
Community and Regional Development (450):							
BA		-3.4	-4.0	-4.2	-4.5	-4.8	-20.9
0		-0.2	-2.0	-2.9	-3.6	-4.3	-13.0
Education, Training, Employment and Social Services (500):							
BA	0.5	-4.2	-3.3	-3.2	-3.6	-3.7	-18.0
0	0.5	-0.3	-2.5	-3.6	-4.7	-5.7	-16.8
Health (550):							
BA		-0.6	-3.3	-4.7	-6.1	-8.1	-22.8
0	-0.1		-2.3	-3.1	-5.1	-8.4	-18.9
Medicare (570):							
BA		0.8	-2.1	-0.1	-6.1	-6.9	-14.4
0		0.7	-2.1		-6.1	-6.9	-14.4
Income Security (600):							
BA		-8.6	-5.8	-7.5	-9.6	-11.0	-42.5
0		-3.9	-6.2	-8.9	-10.8	-12.3	-42.1
Social Security (650):							
BA		-0.1	-0.2	-0.2	-0.1	-0.2	-0.8
0		-0.1	-0.1	-0.2	-0.2	-0.2	-0.8
On-budget:							
BA							
0							
Off-budget:							
BA			-0.2	-0.2	-0.1	-0.2	-0.7
0		-0.1	-0.1	-0.2	-0.2	-0.2	-0.8
Veterans Benefits and Services (700):							
BA		0.1	0.5	1.0	0.8	0.7	3.1
0		0.1	0.5	0.9	0.8	0.7	3.0
Administration of Justice (750):							
BA		-2.3	-3.0	-2.6	-2.6	-3.0	-13.5
0		-1.8	-2.2	-2.5	-3.1	-3.3	-12.9
General Government (800):							
BA		-2.3	-2.5	-2.6	-2.9	-3.1	-13.4
0	-0.1	-0.9	-1.6	-2.1	-2.8	-3.0	-10.4
Net Interest (900):							
BA		0.6	1.0	0.9	0.7	0.3	3.5
0		0.6	1.0	0.9	0.7	0.3	3.5
On-budget:							
BA		0.6	1.1	0.9	0.8	0.4	3.8
0		0.6	1.1	0.9	0.8	0.4	3.8
Off-budget:							
BA				-0.1	-0.1	-0.1	-0.3
0				-0.1	-0.1	-0.1	-0.3
Allowances (920):							
BA	-0.1	-0.4	-1.3	-1.5	-2.1	-2.3	-7.6
0	-0.2	-0.2	-1.3	-1.5	-2.1	-2.3	-7.4
Undistributed Offsetting Receipts (950):							
BA	0.1	-0.3	-0.3	-0.5	-0.6	-0.8	-2.5
0	0.1	-0.3	-0.3	-0.5	-0.6	-0.8	-2.5
On-budget:							
BA		-0.2	-0.3	-0.5	-0.6	-0.8	-2.4
0		-0.2	-0.3	-0.5	-0.6	-0.8	-2.4
Off-budget:							
BA	0.1	-0.1					-0.1

HOUSE BUDGET COMMITTEE RECOMMENDATION MINUS THE PRESIDENT'S REQUEST TOTAL
SPENDING AND REVENUES—Continued

[In billions of dollars]

	2000	2001	2002	2003	2004	2005	2001–2005
0	0.1	–0.1	.....	.....	.....	.....	–0.1

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2000 TOTAL SPENDING AND
REVENUES

[In billions of dollars]

	2001	2002	2003	2004	2005
SUMMARY					
Total Spending:					
BA	54.6	95.6	150.8	211.0	281.0
0	39.2	92.4	146.7	205.8	275.5
On-Budget:					
BA	45.5	79.5	125.6	176.3	235.1
0	30.2	76.3	121.6	171.2	229.6
Off-Budget:					
BA	9.1	16.1	25.2	34.7	45.9
0	9.0	16.1	25.1	34.6	45.9
Revenues:					
Total	61.2	129.1	200.5	275.5	371.3
On-Budget	39.3	83.9	133.0	185.2	253.6
Off-Budget	21.9	45.2	67.5	90.3	117.7
Surplus/Deficit (–):					
Total	22.1	36.8	53.8	69.9	95.8
On-Budget	9.2	7.6	11.5	14.1	24.0
Off-Budget	12.9	29.2	42.3	55.8	71.8
BY FUNCTION					
National Defense (050):					
BA	17.4	20.4	26.7	34.5	42.9
0	15.1	19.5	26.9	35.1	45.7
International Affairs (150):					
BA	–0.6	–0.8	–1.3	–1.8	–1.6
0	1.8	1.7	0.6	–0.3	–0.7
General Science, Space, and Technology (250):					
BA	0.5	0.7	0.8	0.9	1.1
0	0.8	1.2	1.1	1.2	1.4
Energy (270):					
BA	0.1	–0.4	–0.5	–0.7	–0.8
0	0.5	0.2	–0.1	–0.3	–0.3
Natural Resources and Environment (300):					
BA	0.7	0.8	0.8	1.0	1.0
0	0.6	0.9	1.1	1.0	0.9
Agriculture (350):					
BA	–16.6	–17.2	–18.1	–18.7	–19.9
0	17.4	–17.6	–18.4	–18.8	–20.1
Commerce and Housing: Credit (370):					
BA	–1.6	0.5	1.8	5.1	5.0
0	–1.2	1.1	1.4	4.6	5.5
On-budget:					
BA	–1.2	1.2	2.0	6.1	6.0
0	–0.8	1.8	1.6	5.6	6.5
Off-budget:					
BA	–0.4	–0.7	–0.2	–1.0	–1.0
0	–0.4	–0.7	–0.2	–1.0	–1.0
Transportation (400):					
BA	4.9	3.1	4.5	4.5	4.5
0	3.7	5.9	8.3	8.5	8.5
Community and Regional Development (450):					
BA	–2.1	–2.7	–2.8	–2.8	–2.7

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2000 TOTAL SPENDING AND
REVENUES—Continued
[In billions of dollars]

	2001	2002	2003	2004	2005
0	0.4	-1.0	-2.0	-2.5	-3.0
Education, Training, Employment and Social Services (500):					
BA	14.8	16.2	17.3	18.3	20.1
0	7.8	10.6	11.8	12.1	12.8
Health (550):					
BA	10.4	20.3	32.2	46.3	62.4
0	14.8	25.6	38.3	52.7	68.0
Medicare (570):					
BA	16.1	22.0	40.1	55.7	79.1
0	16.5	22.1	40.0	56.0	79.1
Income Security (600):					
BA	13.8	24.6	33.7	43.3	55.7
0	6.9	16.3	25.5	35.2	47.9
Social Security (650):					
BA	17.8	38.0	58.8	81.0	105.2
0	17.7	38.0	58.7	80.9	105.2
On-budget:					
BA	-1.8	.....	-0.7	1.5	2.3
0	-1.8	.....	0.7	1.5	2.3
Off-budget:					
BA	19.6	38.0	58.0	79.6	102.9
0	19.5	38.0	57.9	79.5	102.9
Veterans Benefits and Services (700):					
BA	1.8	3.0	4.8	6.0	9.3
0	2.2	3.7	5.4	6.5	9.8
Administration of Justice (750):					
BA	0.7	0.4	0.6	0.9	1.1
0 .....	.....	.....	-0.1	-0.1	0.1
General Government (800):					
BA	-0.3	-0.3	-0.4	-0.4	-0.3
0	-0.4	-0.8	-0.9	-1.0	-1.2
Net Interest (900):					
BA	-5.6	-14.6	-29.6	-45.2	-61.9
0	-5.6	-14.6	-29.6	-45.2	-61.9
On-budget:					
BA	3.9	5.4	1.2	-3.6	-9.0
0	3.9	5.4	1.2	-3.6	-9.0
Off-budget:					
BA	-9.5	-20.0	-30.8	-41.5	-52.8
0	-9.5	-20.0	-30.8	-41.5	-52.8
Allowances (920):					
BA	-12.7	-10.0	-10.2	-10.8	-11.0
0	-20.1	-12.0	-12.9	-13.7	-14.0
Undistributed Offsetting Receipts (950):					
BA	-4.9	-8.4	-8.3	-6.4	-8.3
0	-4.9	-8.4	-8.3	-6.4	-8.3
On-budget:					
BA	-4.3	-7.2	-6.5	-3.9	-5.1
0	-4.3	-7.2	-6.5	-3.9	-5.1
Off-budget:					
BA	-0.6	-1.2	-1.8	-2.4	-3.2
0	-0.6	-1.2	-1.8	-2.4	-3.2

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2000 TOTAL SPENDING AND REVENUES

[Percentage change]

	2001	2002	2003	2004	2005
SUMMARY					
Total Spending:					
BA	3.0	5.3	8.4	11.7	15.6
O	2.2	5.2	8.2	11.5	15.4
On-Budget:					
BA	3.1	5.4	8.5	11.9	15.9
O	2.1	5.2	8.3	11.7	15.8
Off-Budget:					
BA	2.8	4.9	7.7	10.6	14.0
O	2.8	4.9	7.7	10.6	14.0
Revenues:					
Total	3.1	6.6	10.3	14.2	19.1
On-Budget	2.7	5.7	9.1	12.6	17.3
Off-Budget	4.6	9.4	14.1	18.8	24.5
Surplus/Deficit (–):					
Total	13.7	22.8	33.5	43.4	59.5
On-Budget	112.3	92.4	141.3	172.2	293.5
Off-Budget	8.4	19.1	27.7	36.5	47.0
BY FUNCTION					
National Defense (050):					
BA	6.0	7.1	9.3	12.0	14.8
O	5.4	6.9	9.5	12.4	16.2
International Affairs (150):					
BA	–3.1	–4.0	–6.3	–9.1	–8.1
O	11.5	10.6	3.8	–1.9	–4.5
General Science, Space, and Technology (250):					
BA	2.5	3.4	3.9	4.5	5.5
O	4.5	6.2	6.0	6.4	7.5
Energy (270):					
BA	10.8	–36.9	–48.3	–66.7	–72.2
O	–77.6	–28.1	10.2	54.1	51.3
Natural Resources and Environment (300):					
BA	2.8	3.1	3.4	3.9	4.2
O	2.6	3.8	4.4	4.2	3.8
Agriculture (350):					
BA	–46.5	–48.2	–50.6	–52.4	–55.7
O	–50.7	–51.3	–53.6	–54.8	–58.5
Commerce and Housing Credit (370):					
BA	–18.8	5.9	20.7	60.4	58.4
O	–28.5	27.6	34.6	111.3	133.3
On-budget:					
BA	–16.0	16.0	26.1	81.9	79.6
O	–24.8	58.9	52.1	179.0	208.1
Off-budget:					
BA	–40.0	–70.0	–20.0	–100.0	–100.0
O	–40.0	–70.0	–20.0	–100.0	–100.0
Transportation (400):					
BA	9.0	5.6	8.2	8.3	8.4
O	7.9	12.8	17.7	18.2	18.2
Community and Regional Development (450):					
BA	–18.4	–24.3	–24.6	–24.9	–24.2
O	3.4	–9.5	–18.3	–22.8	–27.7
Education, Training, Employment and Social Services (500):					
BA	25.7	28.1	29.9	31.7	34.8
O	12.7	17.3	19.2	19.6	20.8
Health (550):					
BA	6.6	12.8	20.2	29.1	39.2
O	9.7	16.8	25.1	34.6	44.7
Medicare (570):					
BA	8.1	11.0	20.1	27.9	39.6
O	8.3	11.1	20.0	28.1	39.7

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 2000 TOTAL SPENDING AND
REVENUES—Continued
[Percentage change]

	2001	2002	2003	2004	2005
Income Security (600):					
BA	5.8	10.3	14.1	18.2	23.3
O	2.8	6.6	10.3	14.2	19.3
Social Security (650):					
BA	4.4	9.4	14.5	20.0	26.0
O	4.4	9.4	14.5	20.0	26.0
On-budget:					
BA	-15.7	0.3	6.3	12.8	19.9
O	-15.7	0.3	6.3	12.8	19.9
Off-budget:					
BA	5.0	9.7	14.7	20.2	26.1
O	5.0	9.7	14.7	20.2	26.1
Veterans Benefits and Services (700):					
BA	4.0	6.5	10.5	13.0	20.1
O	4.9	8.2	12.0	14.4	21.6
Administration of Justice (750):					
BA	2.5	1.6	2.2	3.1	4.1
O	-0.1	0.2	-0.5	-0.4	0.5
General Government (800):					
BA	-1.9	-2.4	-2.6	-2.6	-2.4
O	-3.0	-5.6	-6.4	-6.7	-7.9
Net Interest (900):					
BA	-2.5	-6.5	-13.2	-20.1	-27.6
O	-2.5	-6.5	-13.2	-20.1	-27.6
On-budget:					
BA	1.4	1.9	0.4	-1.3	-3.2
O	1.4	1.9	0.4	-1.3	-3.2
Off-budget:					
BA	15.8	33.4	51.2	69.2	88.0
O	15.8	33.4	51.2	69.2	88.0
Allowances (920):					
BA	-149.4	-117.6	-120.0	-127.1	-129.4
O	-174.8	-104.3	-112.2	-119.1	-121.7
Undistributed Offsetting Receipts (950):					
BA	11.7	20.2	19.9	15.2	19.8
O	11.7	20.2	19.9	15.2	19.8
On-budget:					
BA	12.6	21.1	19.1	11.5	14.9
O	12.6	21.1	19.1	11.5	14.9
Off-budget:					
BA	7.5	15.9	23.3	31.7	41.6
O	7.5	15.9	23.3	31.7	41.6

THE CONGRESSIONAL BUDGET PROCESS

The spending and revenue levels established in the budget resolution are executed through two parallel, but separate, mechanisms: allocations to the appropriations and authorizing committees, and reconciliation directives to the authorizing committees. The budget resolution may include instructions directing the authorizing committees to report legislation complying with entitlement, revenue, deficit or debt reduction targets. The report accompanying the budget resolution distributes or “allocates” amounts set forth in the budget aggregates for programs, projects and activities to the Appropriations Committee for annual appropriations and the authorizing committees if they have permanent or multiyear spending authority.

SPENDING ALLOCATIONS

As required under Section 302(a) of the Congressional Budget Act of 1974, the discretionary spending levels established in the budget resolution are allocated to the Appropriations Committee and the mandatory spending levels are allocated to each of the authorizing committees with mandatory spending authority. These levels can be enforced through points of order as discussed in the section “Enforcing the Budget Resolution.” Amounts provided under “current law” encompass programs that affect direct spending—entitlement and other programs that have spending authority or offsetting receipts. Amounts subject to discretionary action refer to programs that require subsequent legislation to provide the necessary spending authority. Amounts provided under “reauthorizations” reflect amounts assumed to reauthorize expiring mandatory programs.

This budget resolution provides for 5-year allocations of budget authority and outlays for each of the authorizing committees. Section 302 of the Congressional Budget Act of 1974 (as modified by the Balanced Budget Act of 1997) requires that allocations of budget authority be provided in the budget resolution for the first fiscal year and at least the 4 ensuing fiscal years (except for the Committee on Appropriations).

Committee on Appropriations

The report accompanying the budget resolution allocates a lump sum of discretionary budget authority that is assumed in the resolution and corresponding outlays to the Committee on Appropriations. The Appropriations Committee is provided an allocation for the current year, Fiscal Year 2000 and the upcoming budget year, Fiscal Year 2001.

Term. The allocation to the Appropriations Committee is for the fiscal year commencing on October 1, 2000. Unlike the authorizing

committees, the Appropriations Committee does not receive a 5-year allocation of budget authority and outlays.

Allocations. Upon receiving its 302(a) allocation, the Appropriations Committee is required to divide the allocation among its 13 subcommittees. The amount that each subcommittee receives constitutes its allocation pursuant to 302(b). As required by the Balanced Budget Act of 1997, the allocations are divided into general purpose discretionary, highway, and mass transit spending. These levels do not constitute separate allocations and hence are not subject to points of order under section 302(f) of the Congressional Budget Act of 1974.

Adjustments Made Under the Congressional Budget Act. Section 314 of the Congressional Budget Act of 1974 establishes a process by which the budget resolution can accommodate programs for which spending authority was not assumed in the budget resolution. Section 314 directs the Chairman of the Budget Committee to make adjustments to the 302(a) allocations and the budgetary aggregates for five purposes. Through these adjustments, additional budget authority and outlays will be made available for Continuing Disability Reviews, special drawing rights, arrearages to international organizations, designated emergencies, and an Earned Income Tax Credit Compliance Initiative. The Office of Management and Budget makes similar adjustments to the discretionary spending limits under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 (see section on Statutory Controls Over the Budget).

Authorizing committees

The authorizing committees are allocated a lump sum of new budget authority along with the corresponding outlays. This spending authority must be provided through subsequent legislation and is not controlled through the annual appropriations process. The budget authority allocated to these committees is categorized as subject to discretionary action when the resolution assumes a new or expanded mandatory program or a reduction in an existing program.

Term. Since the spending authority for the authorizing committees is multiyear or permanent, the allocations are for the forthcoming budget year commencing on October 1 and the 5-year total for fiscal year 2001 through fiscal year 2005. Authorizing committees are not required to file 302(b) allocations. Bills that are first effective in Fiscal Year 2000, however, are measured against the revised levels for Fiscal Year 2000 through 2004 set forth in the report.

In order to enforce these allocations, Members may raise a point of order against spending legislation that exceeds a committee's allocation (see section on Enforcing the Budget Resolution).

The allocations for fiscal year 2001, and fiscal years 2001 through 2005, are as follows:

ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES
Appropriations Committee
[In millions of dollars]

Fiscal year 2001	Budget Au- thority	Outlays
General Purpose ¹	595,247	590,569
Highways ¹		26,920
Mass Transit ¹	1,255	4,639
Total Discretionary Action	596,502	622,128
Current Law Mandatory	325,936	309,098

¹ Shown for display purposes only.

ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES—COMMITTEES OTHER THAN
APPROPRIATIONS

	2001	2002	2003	2004	2005	Total 2001– 2005
AGRICULTURE COMMITTEE						
Current Law:						
BA	14,463	13,647	3,338	3,185	3,189	37,822
OT	10,748	10,241	–237	–248	–290	20,214
Reauthorizations:						
BA			29,866	29,968	29,294	89,128
OT			28,914	29,922	29,254	88,090
Total:						
BA	14,463	13,647	33,204	33,153	32,483	126,950
OT	10,748	10,241	28,677	29,674	28,964	108,304
ARMED SERVICES COMMITTEE						
Current Law:						
BA	50,142	51,686	53,321	55,120	57,044	267,313
OT	50,126	51,629	53,234	55,034	56,954	266,977
BANKING AND FINANCIAL SERVICES COMMITTEE						
Current Law:						
BA	4,050	4,925	4,479	3,992	3,938	21,384
OT	–2,142	–1,019	–1,294	–2,425	–2,361	–9,241
COMMITTEE ON EDUCATION AND THE WORKFORCE						
Current Law:						
BA	5,673	5,731	5,310	4,842	5,050	26,606
OT	4,928	5,177	4,962	4,551	4,559	24,177
Reauthorizations:						
BA		305	305	791	814	2,215
OT		58	244	699	810	1,811
Total:						
BA	5,673	6,036	5,615	5,633	5,864	28,821
OT	4,928	5,235	5,206	5,250	5,369	25,988
COMMERCE COMMITTEE						
Current Law:						
BA	8,265	8,799	10,374	15,153	16,240	58,831
OT	6,516	9,024	9,902	15,311	16,329	57,082
Discretionary Action:						
BA	100	100	100	100	100	500
OT	100	100	100	100	100	500
Total:						
BA	8,365	8,899	10,474	15,253	16,340	59,331
OT	6,616	9,124	10,002	15,411	16,429	57,582
INTERNATIONAL RELATIONS COMMITTEE						
Current Law:						
BA	11,385	11,715	11,799	11,813	12,098	58,810
OT	10,129	10,426	10,580	10,818	11,019	52,972

ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES—COMMITTEES OTHER THAN
APPROPRIATIONS—Continued

	2001	2002	2003	2004	2005	Total 2001– 2005
GOVERNMENT REFORM COMMITTEE						
Current Law:						
BA	60,323	62,581	64,886	67,334	69,857	324,981
OT	58,905	61,212	63,575	66,128	68,719	318,539
COMMITTEE ON HOUSE ADMINISTRATION						
Current Law:						
BA	113	87	89	86	87	462
OT	68	32	58	252	41	451
RESOURCES COMMITTEE						
Current Law:						
BA	2,546	2,307	2,314	2,362	2,451	11,980
OT	2,493	2,339	2,431	2,378	2,400	12,041
JUDICIARY COMMITTEE						
Current Law:						
BA	5,590	5,177	5,261	5,333	5,332	26,693
OT	5,076	5,149	5,115	5,115	5,249	25,704
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE						
Current Law:						
BA	51,193	49,090	49,765	12,224	12,271	174,543
OT	9,747	9,700	9,701	9,508	9,213	47,869
Reauthorizations:						
BA				37,578	37,578	75,156
OT				104	306	410
Total:						
BA	51,193	49,090	49,765	49,802	49,849	249,699
OT	9,747	9,700	9,701	9,612	9,519	48,279
SCIENCE COMMITTEE						
Current Law:						
BA	81	60	61	62	62	326
OT	79	86	73	64	62	364
SMALL BUSINESS COMMITTEE						
Current Law:						
BA	0	0	0	0	0	0
OT	–195	–160	–150	–140	–100	–745
VETERANS' AFFAIRS COMMITTEE						
Current Law:						
BA	1,367	1,365	1,368	1,379	1,358	6,837
OT	1,273	1,392	1,355	1,372	1,359	6,751
Discretionary Action:						
BA	380	895	1,422	1,968	2,747	7,412
OT	349	849	1,375	1,918	2,678	7,169
Total:						
BA	1,747	2,260	2,790	3,347	4,105	14,249
OT	1,622	2,241	2,730	3,290	4,037	13,920
WAYS AND MEANS COMMITTEE						
Current Law:						
BA	697,871	712,893	716,096	736,022	763,480	3,626,362
OT	696,956	712,378	714,907	734,695	761,823	3,620,759
Reauthorizations:						
BA		215	19,718	19,919	19,925	59,777
OT		155	19,875	20,787	21,095	61,912
Total:						
BA	697,871	713,108	735,814	755,941	783,405	3,686,139
OT	696,956	712,533	734,782	755,482	782,918	3,682,671

SECTION BY SECTION

AMOUNTS AND LEVELS

In accordance with section 301(a) of the Congressional Budget Act of 1974, section 1 establishes the appropriate budgetary levels for the budget year, fiscal year 2001, and each of the succeeding 4 years, 2002, 2003, 2004, and 2005. In addition, section 1 revised the budgetary levels for the current fiscal year, fiscal year 2000. The authority to revise the current year levels is set forth in section 304 of the Congressional Budget Act of 1974 and is intended to reflect the President's veto of last year's reconciliation bill, the final levels of the Fiscal Year 2000 appropriation bills, and the anticipated supplemental appropriations bill. These levels are in turn subject to the adjustments for income support for farmers and farm producers in section 12. [See summary tables]

Section 2 establishes the recommended levels for revenue, reduction in revenue, total new budget authority, total budget outlays, surpluses, and public debt. The recommended level of revenue operates as a floor against which all bills are measured pursuant to section 311 of the Congressional Budget Act of 1974. Similarly, the recommended levels of new budget authority and budget outlays serve as a ceiling on the consideration of subsequent spending. The budget aggregates for surpluses are based on budget outlays and revenue. The public debt aggregates refer to the portion of gross Federal debt issued by the Treasury to the public or another fund or account. [See summary tables]

As further required by section 301(a) of the Congressional Budget Act of 1974, section 3 establishes the appropriate budgetary levels for 19 functional categories for the current fiscal year, fiscal year 2000, the budget year, fiscal year 2001, and for the total of fiscal years 2001 through 2005. The categories correspond to those used in the President's fiscal year 2001 budget submission. Unlike the Fiscal year 2000 budget resolution, (H. Con. Res.68), the budget resolution does not separate education from training, employment, and Social Services in function 500. Consistent with the budgetary treatment of Social Security since 1990, Function 650 (Social Security) shows only the on-budget payments into the Social Security Trust Funds. [See summary tables]

RECONCILIATION INSTRUCTIONS

In accordance with section 310(a) of the Congressional Budget Act, section 4 provides directives for the Committee on Ways and Means to report tax and debt-related legislation that achieves specified targets. Because Ways and Means is the only committee to receive reconciliation instructions, under section 310(b) it is required to report the bills directly to the House rather than the Committee on the Budget (as is the case when two or more committees receive

reconciliation instructions). The reason for reconciling multiple bills is to provide the Congress with the opportunity to consider discrete changes in tax policy separately rather than as part of an amalgamation of unrelated provisions as part of a single, massive bill. Moreover, multiple reconciliation bills will afford the tax committees maximum flexibility in the composition and timing of these bills to facilitate negotiations with the Senate and the President.

Section 4 contains two sets of instructions to the Committee on Ways and Means: one for tax bills, and the other for debt reduction. The reporting schedule for the tax bills is as follows: bill #1, May 26; bill #2, June 23; bill #3, July 28; bill #4, September 22; bill #5, May 26; and bill #6, September 22. The bills providing for a reduction in debt held by the public coincide with the first and last tax bills on May 26 and September 22. The Committee assumes that it will be unnecessary to consider the second debt reduction bill if the President agrees to the first bill.

Subsection (a) directs the Committee on Ways and Means to report legislation that will achieve a reduction in revenue of \$9.554 billion in fiscal year 2001 and \$145.648 billion over 5 years. While the budget resolution assumes a year-to-year distribution of the revenue loss for the tax bills, the Ways and Means Committee bill may be higher or lower than these year-to-year levels so long as the net revenue loss does not exceed the first year and five-year totals. Subsection (a)(2) also includes a reserve for health-related legislation. For a full description of this provision, please see the appropriate section in "Reserve Funds".

Subsection (b) directs the Committee on Ways and Means to report two bills that would, in total, reduce the level of the debt held by the public by \$10 billion in fiscal year 2001 and not more than \$20 billion over five years. No instruction is provided for changing the statutory debt limit, which includes the off-budget trust fund debt, because under this resolution the existing limits on the statutory debt of \$5.95 trillion would not need to be changed until fiscal year 2004. The Committee notes that the reduction in debt held by the public could be achieved in a variety of ways, such as imposing a new statutory limit, as was introduced by Chairman Kasich and Representative Ryan in the House, or by providing a mandatory appropriation to a debt reduction account and then directing the Treasury Secretary to reduce net debt held by the public by an equivalent amount.

POINTS OF ORDER

Section 5 extends a lock box for Social Security surpluses. Subsection (a) finds that Social Security is off-budget for purposes of the President's budget submission and the congressional budget process; the Old Age Survivors and Disability Insurance [OASDI] trust funds have been running surpluses for 17 years; and that these surpluses have been implicitly used to finance general operations of the Federal government. Subsection (a) also finds that this resolution is the second budget resolution to balance the budget without counting the Social Security surpluses. It also finds that the only way to ensure that Social Security surpluses are not used for other purposes is to balance the budget without using the Social Security surpluses and that the Congress and the President should

take steps that are necessary to ensure that future budgets are balanced without using the Social Security surplus.

Subsection (b) establishes a freestanding rule prohibiting the consideration in the House and Senate of any budget resolution that sets forth an on-budget deficit. It recognizes that to the extent the budget resolution establishes an on-budget deficit, it is implicitly relying on Social Security to finance the general operations of the Federal government. Paragraph (2) clarifies that, for purposes of this section, the deficit levels are those set forth in the resolution pursuant to section 301 of the Congressional Budget Act of 1974. They may not include any adjustment to those aggregates for rule making provisions that provide for contingent adjustments in the aggregates for legislation that would strengthen social security through structural programmatic reform.

Section 6 prohibits the House from considering legislation that would reduce the surplus below the levels set forth in section 2(4) of the resolution (as adjusted for the reserve funds). The reason for this new rule is to ensure that the portion of the surplus reserved for tax cuts is used to pay down the debt if the tax cuts do not become law. Under current law, committees can circumvent the allocations, aggregates and discretionary limits by simply designating legislation as emergencies. This designation results in a dollar-for-dollar increase in the allocations, aggregates, and discretionary spending limits. As one committee recently observed in a report accompanying a reported bill, the only real constraint on such committees is the approbation that would result if the emergency designated appropriations resulted in an on-budget deficit.

This restriction is enforced by a point of order which, if sustained, would preclude further consideration of the measure. The point of order would apply to both tax and spending bills. With respect to spending bills, the point of order would apply to both direct spending bills reported by authorizing committees and appropriations bills. For the purpose of the point of order, the surplus is at the level established in section 2(4). These levels are adjusted for the revenue legislation set forth in the reconciliation instructions in section 4 and subject to the adjustments in section 4(a)(2) as well as the reserve funds in sections 8, 9, 10, 11, 12, 13, 14 and 15.

Section 7 establishes a new rule against bills that reduce the surplus similar to that in section 6, except that it applies only to fiscal year 2000. It establishes a freestanding rule that prohibits the consideration of any bill that would reduce the on-budget surplus below its current levels. This rule would apply in both the House and the Senate, and could only be waived in the Senate by a three-fifths vote. The bill provides exceptions for legislation providing tax cuts, implementing Social Security reform and implementing structural Medicare reform.

RESERVE FUNDS

Sections 4(a)(2), 8, 9, 10, 11, 12, 13, 14, and 15 provide the Budget Committee chairman the authority to increase the budget aggregates, and in some cases the allocations, for specified legislation whose costs are not assumed in the allocation and/or aggregates. Absent these adjustments, any such legislation reported by these

committees of jurisdiction would exceed the reporting committees' allocations in violation of section 302(f) of the Congressional Budget Act of 1974. Subjecting it to a point of order that would preclude the House from considering the measure. Budget resolutions have long included these adjustments pursuant to section 301(b)(4) of the Budget Act, which permits the budget resolution to include "such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act."

Section 4(a)(2) establishes a reserve fund for the tax provisions associated with the health related tax provisions in H.R. 2990. Because it has already passed the House (on October 6, 1999), the adjustments could be made for a Senate amendment to that bill, the conference report on the bill, or any measure considered pursuant to the reconciliation instructions in section 4(a). This last option is viable only if the original bill is folded into one of the reconciliation bills. The Budget Committee chairman is directed to make the adjustment to revenue aggregates in section 2(1) and, if it is part of a reconciliation bill, the reconciliation instructions in section 4(a). The adjustment is to be made in the amount of revenue reduction resulting from the bill for the specified purpose, but not to exceed \$446 million in fiscal year 2001 and \$4.3 billion over 5-years.

Section 8 establishes several procedures to ensure that \$150 billion of the on-budget surplus is reserved for the tax cuts assumed in the resolution, and in the event they are not enacted into law, used to reduce the public debt. Subsection (a) directs the Budget Committee chairman to momentarily reduce the aggregate by the amount which the levels of Federal revenues should be changed for fiscal year 2001 (\$150 billion over 5-years) is reduced to zero. In subsection (b) this level is then increased as each of the reconciliation bills is considered by the Congress.

The reason for temporarily reducing the assumed tax cuts to zero is to ensure that no other bill diverts the amount of the surplus reserved for these bills to unrelated spending bills. Because the aggregate for the change in revenue would only be increased for the specified tax bills, no other tax bill could be considered by the House because it would not trigger an adjustment in the revenue floor subjecting the bill to a point of order under section 311(a) of the Congressional Budget Act of 1974. Similarly, spending bills could not effectively tap into this reserve by designating emergencies amounting to the amount of any tax cuts in the resolution that are not enacted because the surplus level would not reflect the assumed tax cuts and hence any spending bill that exceeded its allocation (by designating it as an emergency) would reduce the surplus below the adjusted level in the budget resolution. Once again, this would subject the bill to a point of order unless it were fully offset.

As was the case in the fiscal year 2000 budget resolution, section 10 provides for an adjustment in the appropriate levels of the budget resolution if the Congressional Budget Office releases a report projecting an increase in the on-budget surplus. If there is an increase in the surplus relative to the March baseline, the Budget Committee chairman has the option to choose among any combination of the following: increasing the allocations to the authorizing

committees; increasing the allocation of debt held by the public; and increasing the amount of revenue reduction. In any case, the sum of these adjustments cannot exceed the total of the change in revenue and debt assumed in the budget aggregates.

Section 11 establishes a reserve fund for certain Medicare-related legislation. The Budget Committee chairman has the option to increase both the allocations and aggregates for legislation providing for Medicare reform and prescription drug coverage. The adjustments are in the amount of budget authority provided by the bill for the specified purpose, but not to exceed \$2 billion in both budget authority and outlays in fiscal year 2001 and \$40 billion over the 5-year period. The reserve fund assumes that this legislation will not be part of a reconciliation bill.

Section 12 establishes a reserve fund for agriculture for fiscal year 2000. The Budget Committee chairman is authorized to increase the allocations of budget authority and outlays to the Committee on Agriculture for legislation that provides income assistance to farmers and farm producers. The reserve fund is structured on the assumption that this assistance will be reported by the Committee on Agriculture as a freestanding bill, rather than be included in a supplemental appropriations bill, as has been the case in previous years. The adjustment is in the amount of budget authority and resulting outlays provided by the bill, but not to exceed \$6 billion in fiscal year 2000. The resolution assumes that all of the budget authority will be obligated and paid out of the Treasury in fiscal year 2000.

Section 13 provides a reserve fund for risk management or income support legislation in fiscal year 2001 similar to that included in last year's budget resolution. The reserve fund authorizes the Budget Committee chairman to increase the allocations for legislation related to crop insurance or other income support measures. The adjustment is at the option of the chairman, but must be in the amount of budget authority and resulting outlays provided by the bill, and cannot exceed \$1.355 billion in budget authority and \$595 million in outlays in fiscal year 2001, and \$8.539 billion in budget authority and \$7.223 billion in outlays over the 5-year period. The committee notes that a crop insurance bill, H.R. 2559, passed the House last year with a comparable adjustment in the fiscal year 2000 budget resolution (H. Con. Res. 68) and has yet to be taken up by the Senate.

Section 14 establishes a reserve fund for legislation permitting certain Federal employees to participate in the Thrift Savings Plan. The adjustment is for the revenue loss associated with this provision. The Chairman has the option to adjust the revenue aggregates by the revenue loss caused by the bill; but not to exceed \$17 million in fiscal year 2001 and \$107 million over five years. The reserve fund assumes the change in the Thrift Savings Plan will be outside of the reconciliation process.

Section 15 sets forth the procedures for making adjustments pursuant to the reserve funds.

Subsections (a) (1) and (2) provide that the adjustments are made only during the interval that the legislation is under consideration and do not take effect until the legislation is actually enacted. The treatment of these reserve funds is consistent with the

treatment of adjustments for emergencies and other programs and initiatives under section 314 of the Congressional Budget Act.

Subsection (a)(3) provides that in order to make the adjustments under sections 14 and 15, the Chairman must insert the adjustments in the Congressional Record.

Subsection (a)(3) clarifies that any adjustments made under any of the reserve funds in the resolution have the same effect as if they were part of the original levels set forth in section 4. In other words, the adjusted levels are the levels that are used to enforce points of order against legislation that is inconsistent with the budget resolution's allocations and aggregates.

Subsection (c) clarifies that the Committee on the Budget determines the estimates that are used to enforce points of order, as is the case for enforcing budget-related points of order pursuant to section 312 of the Budget Act.

ENFORCING THE BUDGET RESOLUTION

The budget resolution is more than a planning document. The allocations of spending authority and the aggregate levels of both spending authority and revenues are binding on the Congress when it considers subsequent spending and tax legislation. Measures that would breach the levels set forth in the budget resolution are subject to points of order on the floor.

Any Member of the House may raise a point of order against any tax or spending that creates new entitlement authority during certain points in a calendar year, or breaches the allocations or aggregate spending levels established in the budget resolution. If the point of order is sustained, the House is precluded from further consideration of the measure.

The major Budget Act requirements are as follows:

Section 302(f). Prohibits consideration of legislation that exceeds a committee's allocation of new budget authority. Section 302(f) applies to the budget year and the 5-year total for authorizing committees. For appropriations bills, however, it applies only to the budget year. An exception is provided for legislation exceeds the allocation of new budget authority but is offset by an increase in revenue above and beyond the level required by the budget resolution.

Section 303(a). Prohibits consideration of spending and tax legislation before the House has passed a budget resolution. Section 303(a) does not apply to budget authority and revenue provisions first effective in an out year or to appropriation bills after May 15.

Section 311(a)(1). Prohibits consideration of legislation that exceeds the ceiling on budget authority and outlays or reduces revenue below the revenue floor. Section 311(a)(1) applies to the budget year and 5-year total for bills increasing revenue, but only to the budget year for appropriations bills. Section 311 does not apply to spending bills that do not exceed the reporting committee's 302(a) allocation.

Section 401(a). Prohibits consideration of legislation providing borrowing authority, new credit authority, or contract authority that is not controlled through the annual appropriations process.

Section 401(b)(1). Prohibits consideration of legislation creating new entitlement authority in the year preceding the budget year. It does not apply to trust funds primarily financed by earmarked taxes.

Under sections 303(g), 308(b)(2), and 311(c) of the Budget Act, the Budget Committee advises the presiding officer on the application of points of order against specific legislation pending before the House. House Budget Committee rules also authorize the chairman to poll the committee on recommendations to the Rules Committee as to whether to waive points of order in enforcing the Budget Act.

Senate Enforcement Procedures. In the Balanced Budget Act, the Senate reaffirmed the extension of the pay-as-you-go point of order

through fiscal year 2002. This point of order prohibits the consideration of any mandatory spending or tax legislation that would increase the deficit in the first fiscal year, the first 5 fiscal years or the second 5 fiscal years covered by the most recently passed budget resolution. Sixty votes are required to waive the point of order.

STATUTORY CONTROLS OVER THE BUDGET

In addition to the allocations and aggregate spending levels in the budget resolution, the Federal budget is subject to statutorily established spending limits and budgetary controls. The Balanced Budget Act [BBA] revised and extended the caps on discretionary spending as well as the pay-as-you-go [PAYGO] requirements for entitlement and tax legislation. Both the spending caps and PAYGO requirements are enforced with automatic spending cuts through a process known as sequestration.

DISCRETIONARY SPENDING LIMITS

Under the BBA there is a combined limit on all discretionary appropriations for fiscal years 1998 through 2002. In addition, the 1998 highway authorization act ("Transportation Equity Act for the 21st Century" or TEA-21) set forth separate categories for highway and mass transit spending for fiscal years 1999 through 2002. A separate limit for programs for the Violent Crime Reduction Act lapsed in 1999 and programs formerly subject to that limit are now under the general purpose discretionary limit.

The BBA provides automatic adjustments to the spending caps for appropriations bills that provide budget authority and the resulting outlays (subject to certain limitations) for emergencies, estimating differences in outlays, continuing disability reviews, the International Monetary Fund [IMF], international arrearages, and an Earned Income Tax Credit compliance initiative. Similarly, TEA-21 provides for an automatic cap adjustment for changes in revenue relating to the highway spending category.

STATUTORY CAPS AS CURRENTLY ADJUSTED

[In millions of dollars]

Fiscal year	2000	2001	2002
General Purpose:			
BA	566,472	541,095	550,333
O	564,913	547,279	537,231
Highways:			
BA	n/a	n/a	n/a
O	24,574	26,920	27,925
Mass Transit:			
BA	n/a	n/a	n/a
O	4,117	4,639	5,419
Violent Crime Reduction:			
BA	4,500	.....	.....
O	6,444	.....	.....
Total:			
BA	584,843	541,095	550,333
O	573,113	548,258	537,540

PAY-AS-YOU-GO REQUIREMENTS

OBRA 1990 also established a pay-as-you-go [PAYGO] requirement for tax and entitlement legislation. Under PAYGO, the sum of all tax and entitlement (or otherwise mandatory) legislation may not reduce the surplus in any fiscal year.

The Balanced Budget Act of 1997 extended the PAYGO requirements through fiscal year 2002. As amended by OBRA 93, PAYGO had been scheduled to expire at the end of fiscal year 1998. PAYGO is enforced through a sequestration applied to all nonexempt entitlement programs. The law is somewhat unclear whether PAYGO lapses when there is an on-budget surplus.

The Consolidated Appropriations Act of 2000 changed the balances of direct spending and receipts legislation for any fiscal year to zero. As a result, bills enacted since January 4, 2000, the balances on the PAYGO scorecard are as follows:

PAY-AS-YOU-GO SCORECARD

(In millions of dollars)

	2001	2002	2003	2004	2005	Total 2001-2005
Beginning PAYGO Balances (as required by The Consolidated Appropriations Act of 2000)	0	0	0	0	0	0
Omnibus Parks Technical Corrections Act of 1999 H.R. 149 P.L. 106-176	6	4	2	0	0	12
Electronic Benefit Transfer Interoperability and Portability Act of 2000 S. 1733 P.L. 106-171	1	1	1	1	1	5
Total Deficit impact of enacted legislation	7	5	3	1	1	17

SENSES OF HOUSE AND CONGRESS

The budget resolution contains 14 Senses of the House or Congress provisions that have no legal force but reflect the Congress' views on a variety of budget-related issues. The section numbers and section headings of these reserve funds are as follows:

Section 10(c). Sense of Congress endorsing legislation establishing a limit on debt held by the debt reduction lock box.

Section 16. Sense of Congress on waste, fraud and abuse.

Section 17. Sense of Congress on providing additional dollars to the classroom.

Section 18. Sense of Congress regarding emergency spending.

Section 19. Sense of the House on estimates of the impact of regulations on the private sector.

Section 20. Sense of the House on biennial budgeting.

Section 21. Sense of Congress on access to health insurance and preserving home health services for all medicare beneficiaries.

Section 22. Sense of Congress regarding Medicare+Choice programs/reimbursement rates.

Section 23. Sense of the House on directing the Internal Revenue Service to accept negative numbers in farm income averaging.

Section 24. Sense of the House regarding the stabilization of certain Federal Payments to States, counties, and boroughs.

Section 25. Sense of Congress on the importance of the National Science Foundation.

Section 26. Sense of Congress regarding skilled nursing facilities.

Section 27. Sense of Congress on special education.

Section 28. Sense of Congress on assumed funding levels for special education.

Section 29. Sense of Congress on a federal employee pay raise.

Section 30. Sense of Congress regarding HCFA draft guidelines.

Section 31. Sense of Congress on asset-building for the working poor.

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2004

[In billions of dollars]

Function	Corporations					Individuals					Total—
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	2000–04
National Defense											
Exclusion of benefits and allowances to Armed Forces personnel						2.0	1.9	2.0	2.0	2.0	9.9
Exclusion of military disability benefits						0.1	0.1	0.1	0.1	0.1	0.4
International Affairs											
Exclusion of income earned abroad by U.S. citizens						2.4	2.6	2.8	3.0	3.3	14.1
Exclusion of certain allowances for Federal employees abroad						0.2	0.2	0.3	0.3	0.3	1.3
Exclusion of income of foreign sales corporations (FSCs)	2.7	2.9	3.1	3.3	3.6						15.6
Deferral of active income of controlled foreign corporations	3.4	3.7	4.0	4.2	4.5						19.8
Inventory property sales source rule exception	4.0	4.2	4.4	4.6	4.8						22.0
Deferral of certain financing income	0.5	0.9	0.4								1.8
General Science, Space, and Technology											
Tax credit for qualified research expenditures		3.0	6.8	3.7	3.8						17.3
Expensing of research and experimental expenditures	2.9	2.8	2.9	3.1	3.2						14.9
Energy											
Expensing of exploration and development costs:											
Oil and gas	0.4	0.5	0.5	0.5	0.5	[1]	[1]	[1]	[1]	[1]	2.4
Other fuel	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Excess of percentage over cost depletion:											
Oil and gas	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.2	3.5
Other fuels	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.5
Tax credit for enhanced oil recovery costs	0.1	0.1	0.1	0.1	0.1	[1]	[1]	[1]	[1]	[1]	0.3
Tax credit for production of non-conventional fuels	1.1	1.1	1.2	1.2	1.2	0.2	0.3	0.3	0.3	0.3	7.1
Tax credits for alcohol fuels ²	[1]	[1]	[1]	[1]	[1]						[1]
Exclusion of interest on State and local government industrial development bonds for energy production facilities	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of energy conservation subsidies provided by public utilities						[1]	[1]	[1]	[1]	[1]	0.2
Tax credit for investment in solar and geothermal energy facilities	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.3
Tax credit for electricity production from wind, biomass, and poultry waste	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.4
Natural Resources and Environment											
Expensing of exploration and development costs, nonfuel minerals	[1]	0.1	0.1	0.1	0.1	[1]	[1]	[1]	[1]	[1]	0.3
Excess of percentage over cost depletion, nonfuel minerals	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.5
Expensing of multiperiod timber-growing costs	0.1	0.2	0.2	0.2	0.2	[1]	[1]	[1]	[1]	[1]	0.9

Exclusion of interest on State and local government sewage water, and hazardous waste facilities bonds	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	2.4
Special rules for mining reclamation reserves	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Special tax rate for nuclear decommissioning reserve fund	0.1	0.1	0.1	0.2	0.2	.....	.....	.....	.....	.....	0.8
Exclusion of contributions in aid of construction for water and sewer utilities	[1]	[1]	[1]	[1]	[1]	.....	.....	.....	.....	.....	0.1
Agriculture											
Expensing of soil and water conservation expenditures	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Expensing of fertilizer and soil conditioner costs	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.3
Expensing of the costs raising dairy and breeding cattle	[1]	[1]	[1]	[1]	[1]	0.2	0.2	0.2	0.2	0.2	0.9
Exclusion of cost-sharing payments	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Exclusion of cancellation of indebtedness income of farmers	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Cash accounting for agriculture	[1]	[1]	[1]	.....	.....	.....	0.5	0.6	0.6	0.6	3.0
Income averaging for farmers .....	.....	.....	.....	.....	.....	.....	[1]	[1]	[1]	[1]	0.1
Five-year carryback period for net operating losses attributable to farming	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.1	[1]	[1]	0.3
Commerce and Housing											
Financial institutions:											
Exemption of Credit union income	0.8	0.9	0.9	0.9	1.0	.....	.....	.....	.....	.....	4.5
Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts	1.3	1.3	1.4	1.4	1.5	22.9	23.6	24.3	25.1	25.9	128.7
Small life insurance company taxable income adjustment	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.6
Special treatment of life insurance company reserves	1.1	1.2	1.2	1.3	1.3	.....	.....	.....	.....	.....	6.1
Deduction of unpaid property loss reserves for property and casualty insurance companies	2.8	2.9	2.9	3.0	3.1	.....	.....	.....	.....	.....	14.7
Special deduction for Blue Cross and Blue Shield companies	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.6
Housing:											
Deduction for mortgage interest on owner-occupied residences .....	.....	.....	.....	.....	.....	55.2	57.7	60.2	62.8	65.5	301.4
Deduction for property taxes on owner-occupied residences .....	.....	.....	.....	.....	.....	18.9	19.6	20.3	20.9	21.6	101.3
Exclusion of capital gains on sales of principal residences .....	.....	.....	.....	.....	.....	12.9	12.9	13.0	13.1	13.2	65.1
Exclusion of interest on State local government bonds for owner-occupied housing	0.2	0.2	0.2	0.2	0.3	0.6	0.6	0.6	0.6	0.6	4.3
Exclusion of interest on State and local government bonds for rental housing	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
Depreciation of rental housing in excess of alternative depreciation system	0.2	0.2	0.2	0.2	0.2	1.5	1.5	1.6	1.7	1.9	9.2
Tax credit for low-income housing	1.3	1.4	1.4	1.4	1.4	2.5	2.6	2.6	2.7	2.7	20.0
Tax credit for first-time homebuyers in the District of Columbia .....	.....	.....	.....	.....	.....	[1]	[1]	[1]	[1]	[1]	0.1
Tax credit for rehabilitation of historic structures	0.3	0.4	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1	2.3
Other business and commerce:											
Reduced rates of tax on long-term capital gains .....	.....	.....	.....	.....	.....	36.0	37.8	38.9	40.1	41.8	194.6
Exclusion of capital grants at death .....	.....	.....	.....	.....	.....	23.7	25.2	26.9	28.2	32.1	136.1
Carryover basis of capital gains on gifts .....	.....	.....	.....	.....	.....	2.3	2.5	2.7	3.0	3.3	13.8
Deferral of gain on non-dealer installment sales	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	2.5
Deferral of gain on like-kind exchanges	1.0	1.1	1.2	1.2	1.3	0.4	0.4	0.4	0.4	0.4	7.8

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2004—Continued

[In billions of dollars]

Function	Corporations					Individuals					Total— 2000–04
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	
Deferral of gain on involuntary conversions resulting from Presidentially-declared disasters						[1]	[1]	[1]	[1]	[1]	0.1
Depreciation of buildings other than rental housing in excess of alternative depreciation system	1.5	1.2	1.2	1.1	0.9	0.7	0.5	0.5	0.4	0.3	8.3
Depreciation of equipment in excess of alternative depreciation system	24.9	24.3	23.7	23.3	22.8	6.8	6.6	6.2	5.9	5.6	150.2
Expensing of depreciable business property	0.2	0.2	0.2	0.1	0.1	0.5	0.6	0.6	0.4	0.2	3.1
Amortization of business startup costs	[1]	[1]	[1]	[1]	[1]	0.3	0.3	0.4	0.4	0.4	1.8
Reduced rates on first \$10,000,000 of corporate taxable income	4.3	4.2	4.4	4.5	4.6						22.0
Permanent exemption from imputed interest rules	[1]	[1]	[1]	[1]	[1]	0.2	0.2	0.2	0.2	0.3	1.2
Expensing of magazine circulation expenditures	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2
Special rules for magazine, paperback book, and record returns	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Completed contract rules	0.2	0.2	0.2	0.2	0.2	[1]	[1]	[1]	[1]	[1]	1.1
Cash accounting, other than agriculture	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of interest on State and local government small-issue industrial development bonds	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.6
Exception from net operating loss limitations for corporations in bankruptcy proceedings	0.5	0.5	0.5	0.5	0.5						2.5
Tax credit for employer-paid FICA taxes on tips	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.8
Transportation											
Deferral of tax on capital construction funds of shipping companies	0.1	0.1	0.1	0.1	0.1						0.5
Exclusion of employer-paid transportation benefits						3.6	3.6	3.7	3.7	3.8	18.4
Exclusion of interest on State and local government bonds for high-speed rail	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.4
Community and Regional Development											
Empowerment zone tax incentives	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1	1.2
District of Columbia tax incentives	0.1	0.1	0.1	0.1	0.1	[1]	[1]	[1]	[1]	[1]	0.4
Indian reservation tax incentives	0.1	0.1	0.1	0.1	[1]	[1]	[1]	[1]	[1]	[1]	0.4
Expensing of redevelopment costs in certain environmentally contaminated areas ("Brownfields")	[1]	0.1	0.1	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.3
Tax credit for rehabilitation of structures, other than historic structures	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1
Exclusion of interest on State and local government bonds for private airports, docks, and mass-commuting facilities	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.4	2.9

Education, Training, Employment, and Social Services

Education and training:

Tax credits for tuition for post-secondary education	5.4	5.4	5.5	5.6	5.6	27.5
Deduction for interest on student loans	0.3	0.4	0.4	0.4	0.4	1.8
Exclusion of earnings of trust accounts for higher education ("education IRAs")	[1]	[1]	[1]	[1]	[1]	0.2
Exclusion of interest on education savings bonds	[1]	[1]	[1]	[1]	[1]	0.1
Deferral of tax on earnings of qualified State tuition programs	0.1	0.1	0.1	0.2	0.2	0.7
Exclusion of scholarship and fellowship income	1.1	1.2	1.3	1.4	1.5	6.5
Exclusion of employer-provided education assistance benefits	0.3	0.4	0.1	.....	.....	0.8
Parental personal exemption for students age 19 to 23	0.7	0.8	0.8	0.8	0.8	3.9
Exclusion of interest on State and local government student loan bonds	0.1	0.1	0.2	0.2	0.2	1.6
Exclusion of interest on State and local government bonds for private nonprofit educational facilities	0.2	0.2	0.2	0.5	0.5	3.7
Tax credit for holders of qualified zone academy bonds	0.1	0.1	0.1	0.1	0.1	0.3
Deduction for charitable contributions to educational institutions	0.9	1.0	1.0	4.3	4.9	28.2

Employment:

Exclusion of employee meals and lodging (other than military)	0.8	0.8	0.8	0.9	0.9	4.2
Exclusion of benefits provided under cafeteria plans. ³	6.9	7.3	7.9	8.4	9.0	39.5
Exclusion of housing allowances for ministers	0.4	0.4	0.4	0.4	0.4	2.0
Exclusion of miscellaneous fringe benefits	6.5	6.9	7.3	7.8	8.2	36.7
Exclusion of employee awards	0.1	0.1	0.1	0.1	0.1	0.7
Exclusion of income earned by voluntary employees' beneficiary associations	1.4	1.5	1.6	1.7	1.7	7.9
Special tax provisions for employee stock ownership plans (ESOPs)	0.8	0.8	0.9	0.2	0.2	5.3
Work opportunity tax credit	0.4	0.4	0.3	0.1	[1]	1.4
Welfare-to-work tax credit	0.1	0.1	0.1	[1]	[1]	0.4

Social services:

Tax credit for children under age 17. ⁴	17.1	17.1	17.0	16.9	16.4	84.5
Tax credit for child and dependent care expenses	2.2	2.2	2.2	2.2	2.1	11.0
Exclusion of employer-provided child care. ⁵	0.4	0.4	0.5	0.5	0.5	2.4
Exclusion of certain foster care payments	0.5	0.5	0.5	0.6	0.6	2.7
Adoption credit and employee adoption benefits exclusion	0.2	0.3	0.2	0.1	0.1	0.8
Deduction for charitable contributions, other than for education and health	1.5	1.6	1.8	2.1	24.8	133.1
Tax credit for disabled access expenditures	[1]	[1]	[1]	0.1	0.1	0.4

Health

Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums. ⁶	58.0	61.1	64.4	68.2	72.5	324.1
Exclusion of medical care and CHAMPUS/TRICARE medical insurance for military dependents, retirees, and retiree dependents	1.6	1.6	1.6	1.6	1.6	8.0
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed	1.2	1.3	1.6	2.4	2.8	9.3

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2004—Continued
 (In billions of dollars)

Function	Corporations					Individuals					Total—
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004	2000–04
Deduction for medical expenses and long-term care expenses						4.4	4.8	5.1	5.4	5.8	25.4
Exclusion of workers' compensation benefits (medical benefits)						4.5	4.7	4.9	5.1	5.4	24.6
Medical savings accounts						[1]	[1]	[1]	[1]	[1]	0.1
Exclusion of interest on State and local government bonds for private hospital facilities	0.3	0.3	0.3	0.3	0.3	0.8	0.8	0.9	0.9	0.9	5.9
Deduction for charitable contributions to health organizations	0.8	0.8	0.9	1.0	1.1	2.7	2.9	3.1	3.4	3.6	20.4
Tax credit for orphan drug research	0.1	0.1	0.1	0.1	0.1						0.5
Medicare											
Exclusion of untaxed Medicare benefits:											
Hospital insurance						16.1	16.8	17.7	18.8	20.3	89.7
Supplementary medical insurance						8.8	9.8	11.1	12.5	14.1	56.3
Income Security											
Exclusion of workers' compensation benefits (disability and survivors payments)						5.0	5.3	5.5	5.8	6.0	27.6
Exclusion of special benefits for disabled coal miners						0.1	0.1	0.1	0.1	0.1	0.4
Exclusion of cash public assistance benefits						0.7	0.7	0.7	0.8	0.8	3.7
Net exclusion of pension contributions and earnings:											
Employer plans						76.0	80.7	83.6	86.5	89.3	416.0
Individual retirement plans						12.2	12.7	14.0	15.3	16.5	70.7
Keogh plans						5.0	5.1	5.2	5.3	5.4	26.1
Exclusion of other employee benefits:											
Premiums on group term life insurance						2.0	2.1	2.2	2.3	2.4	11.0
Premiums on accident and disability insurance						0.2	0.2	0.2	0.2	0.2	1.0
Additional standard deduction for the blind and the elderly						2.0	2.1	2.2	2.2	2.3	10.8
Tax credit for the elderly and disabled						[1]	[1]	[1]	[1]	[1]	0.1
Deduction for casualty and theft losses						0.2	0.2	0.3	0.3	0.3	1.3
Earned income credit (EIC) ⁷						4.0	4.1	4.1	4.4	4.4	21.1
Social Security and Railroad Retirement											
Exclusion of untaxed social security and railroad retirement benefits						24.4	25.4	26.4	27.4	28.3	131.9
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation						2.1	2.2	2.3	2.4	2.4	11.4
Exclusion of veterans' pensions						0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of veterans' readjustment benefits						0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of interest on State and local government bonds for veterans' housing	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2

General Purpose Fiscal Assistance											
Exclusion of interest on public purpose State and local government debt	5.1	5.3	5.4	5.6	5.8	13.0	13.6	14.0	14.4	14.9	96.9
Deduction of nonbusiness State and local government income and a personal property taxes						35.5	36.8	38.1	39.2	40.4	190.0
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity	3.8	4.0	3.6	3.2	3.0						17.6
Interest											
Deferral of interest on savings bonds						1.2	1.2	1.2	1.2	1.2	6.0

1 Positive tax expenditure of less than \$50 million.
 2 In addition, the exemption from excise tax for alcohol fuels results in a reduction in excise tax receipts, net of income tax effect, of \$0.5 billion per year in fiscal years 2000 through 2004.
 3 Estimate includes amounts of employer-provided health insurance purchased through cafeteria plans and employer-provided child care purchased dependent care flexible spending accounts. These amounts are also included in other line items in this table.
 4 The figures in the table show the effect on the child credit on receipts. The increase in outlays is: \$0.8 billion in 2000, \$0.8 billion in 2001, \$0.8 billion in 2002, \$0.8 billion in 2003, and \$0.8 billion in 2004.
 5 Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.
 6 Estimate includes employer-provided health insurance purchased through cafeteria plans.
 7 The figures in the table show the effect of the earned income credit on receipts. The increase in outlays is: \$25.8 billion in 2000, \$26.2 billion in 2001, \$27.0 billion in 2002, \$27.4 billion in 2003, and \$28.1 billion in 2004.
 Note: Details may not add to totals due to rounding.
 Source: Joint Committee on Taxation.

Revenue Comparisons

TABLE 1.—COMPARISON OF TOTAL BUDGET REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	<i>Amount</i>
Fiscal Year:	
1995 Actual	1,351.8
1996 Actual	1,453.1
1997 Actual	1,579.3
1998 Actual	1,721.8
1999 Actual	1,827.5
2000 Estimated (CBO)	1,945.1
Fiscal Year 2001:	
Administration's Request (February 2000)	2,025.9
Committee Level	2,006.3
Fiscal Year 2002:	
Administration's Request (February 2000)	2,097.1
Committee Level	2,074.3
Fiscal Year 2003:	
Administration's Request (February 2000)	2,171.0
Committee Level	2,145.7
Fiscal Year 2004:	
Administration's Request (February 2000)	2,261.9
Committee Level	2,220.5
Fiscal Year 2005:	
Administration's Request (February 2000)	2,352.4
Committee Level	2,316.4

TABLE 2.—COMPARISON OF ON-BUDGET REVENUES FOR PRESIDENT'S BUDGET AND COMMITTEE RECOMMENDATION

[In billions of dollars]

Fiscal Year:	
1995 Actual	1,000.8
1996 Actual	1,085.6
1997 Actual	1,187.3
1998 Actual	1,292.4
1999 Actual	1,383.0
2000 Estimated (CBO)	1,465.5
Fiscal Year 2001:	
Administration's Request (February 2000)	1,524.4
Committee Level	1,504.8
Fiscal Year 2002:	
Administration's Request (February 2000)	1,572.2
Committee Level	1,549.4
Fiscal Year 2003:	
Administration's Request (February 2000)	1,623.9
Committee Level	1,598.5
Fiscal Year 2004:	
Administration's Request (February 2000)	1,692.0
Committee Level	1,650.6
Fiscal Year 2005:	
Administration's Request (February 2000)	1,755.1
Committee Level	1,719.1

TABLE 3.—CBO BASELINE REVENUES BY SOURCE, UNDER PAST AND CURRENT LAW

[Includes on- and off-budget revenues, fiscal years, in billions of dollars]

	1950	1960	1970	1980	1990	Projected	
						2000	2001
Individual Income Tax	15.8	40.7	90.4	244.1	466.9	944.6	985.5
Corporate Income Tax	10.4	21.5	32.8	64.6	93.5	189.4	189.4
Social Insurance Tax and contributions	4.3	14.7	44.4	157.8	380.0	653.3	683.5
Excises	7.6	11.7	15.7	24.3	35.3	68.2	70.7
Estate and Gift taxes	0.7	1.6	3.6	6.4	11.5	30.4	31.6

TABLE 3.—CBO BASELINE REVENUES BY SOURCE, UNDER PAST AND CURRENT LAW—Continued
 [Includes on- and off-budget revenues, fiscal years, in billions of dollars]

	1950	1960	1970	1980	1990	Projected	
						2000	2001
Customs Duties	0.4	1.1	2.4	7.2	16.7	18.8	20.2
Miscellaneous Receipts	0.2	1.2	3.4	12.7	28.0	40.4	35.5
Total ¹	39.4	92.5	192.7	517.1	1,031.9	1,945.1	2,016.3
On-Budget Revenues	37.3	81.9	159.2	403.9	750.2	1,465.5	1,514.8
Off-Budget Revenues ²	2.1	10.6	33.5	113.2	281.7	479.6	501.5

¹ Details may not sum to totals due to rounding.

² Social Security (OASDI) revenues.

Source: CBO March 2000 baseline revenues.

TABLE 4.—CBO BASELINE REVENUES BY SOURCE, AS PERCENT OF GDP, UNDER PAST AND CURRENT LAW

[Includes on- and off-budget revenues, fiscal year, in billions of dollars]

	1950	1960	1970	1980	1990	Project	
						2000	2001
Individual Income Tax	5.8	7.9	9.0	9.0	8.2	9.9	9.8
Corporate Income Tax	3.8	4.1	3.3	2.4	1.6	2.0	1.9
Social Insurance Tax and Contributions	1.6	2.8	4.4	5.8	6.7	6.8	6.8
Excises	2.8	2.3	1.6	0.9	0.6	0.7	0.7
Estate and Gift Taxes	0.2	0.3	0.4	0.2	0.2	0.3	0.3
Customs Duties	0.1	0.2	0.2	0.3	0.3	0.2	0.2
Miscellaneous	0.1	0.2	0.3	0.5	0.5	0.4	0.4
Total ¹	14.4	17.8	19.1	19.0	18.2	20.3	20.1
On-Budget Revenues	13.6	15.8	15.8	14.9	13.2	15.3	15.1
Off-Budget Revenue ²	0.8	2.1	3.3	4.2	5.0	5.0	5.0

¹ Details may not sum to totals due to rounding.

² Social Security (OASDI) revenues.

Source: CBO March 2000 baseline revenues.

ADDITIONAL REPORT LANGUAGE

The following additional report language was submitted pursuant to amendments and agreements accepted during the mark-up of the budget resolution:

Revenue

The resolution assumes enactment of a patient's bill of rights for people in managed care plans and assumes consumer health protections prescribed in the House-passed Patients' Bill of Rights Act (H.R. 2990). A portion of the net tax cut, \$4.4 billion over 5 years, is reserved from the net tax cut to go to income and payroll effects resulting from the patients' bill of rights.

All Functions

Agreement was reached between Chairman Kasich and Mr. Hoeffel regarding corporate welfare. Chairman Kasich agreed to hold additional hearings in either full committee or in one of the task forces on H.R. 3221, the Corporate Welfare Reform Commission Act of 1999.

Natural resources and environment

The budget resolution assumes that the Pacific Northwest salmon recovery program should be a high priority.

The budget resolution assumes that funding for the U.S. Army Corps of Engineers for general construction, for general operation and maintenance, and for operating and maintaining the St. Lawrence Seaway will come from the general fund and the receipts of the harbor maintenance excise tax and not from the proposed harbor services fee in the administration's budget request.

There is agreement in the committee regarding the stabilization of certain Federal payments to States, counties, and boroughs. A sense of the House was added to the resolution stating that Federal revenue sharing payments to States, counties, and boroughs should be stabilized and maintained for the long-term benefit of schools, roads, public services, and communities, and that the provision of a stable, permanent funding is a priority of the 106th Congress.

Agriculture

The House Budget Committee has included more than \$8 billion over 5 years to fund comprehensive crop insurance reform legislation. Members of the House of Representatives have met their responsibility as provided in last year's resolution regarding crop insurance reform by passing H.R. 2559 on September 30, 1999.

Despite the passage of a joint budget resolution in April 1999, which provided funding for reform legislation, the full Senate has yet to act. Such inaction has resulted in continued and unnecessary hardship for farmers across this country. They are laboring under

inadequate crop insurance coverage, resulting in higher costs to farmers and continued uncertain government assistance in protecting them from nature's elements.

The committee strongly urges the Senate to act on crop insurance legislation quickly. Farmers have waited long enough. It is critical that Congress enact crop insurance reform. Failure to do so will continue to subject farmers to uncertainty and higher costs resulting from a program badly in need of reform.

Health

The committee encourages the Secretary of Health and Human Services (HHS) to expedite its review of State Children's Health Insurance Program (SCHIP) waivers in response to the Nation's Governors by establishing a reasonable time-frame for the review process.

The committee recognizes the urgent and growing need to meet the varied needs of people suffering with Alzheimer's disease. More than 4 million Americans are afflicted with Alzheimer's disease, and that number is estimated to grow to 14 million by the year 2050. Today, more than 19 million people have a family member with the disease. One in 10 persons over the age of 65 will develop Alzheimer's disease. More troubling, nearly half of those over the age of 85 will become a victim.

The Federal Government spends only \$1 in research for every \$250 in cost burden on society for Alzheimer's, and the total Federal investment of roughly \$400 million translates into only \$100 for every person who currently has the disease. By comparison, the Government spends three to five times more on research into heart disease, cancer, and AIDS, even though the cost to society of Alzheimer's disease is just as great.

The committee believes that an important step in fighting Alzheimer's disease is the encouragement of clinical research and training, which will complement the many excellent basic research efforts currently funded through the National Institutes of Health [NIH], the National Institute on Aging [NIA], and in the private sector.

The committee believes further that research for a cure for tomorrow is critical, but meeting the needs of Alzheimer's patients today is urgent, and that Congress should address those needs in the following way:

Create the Alzheimer's Clinical Research and Training Awards Program to train physicians to recognize and treat Alzheimer's disease, and to dedicate their careers to improving care for Alzheimer's patients by bridging the gap that exists between basic and clinical research.

The awards program will foster physician dedication to a career in research, diagnosis, and treatment of Alzheimer's disease by awarding junior and mid-level physicians who have demonstrated the potential for a lifelong commitment to researching and treating Alzheimer's, with 1 year stipend to train as an Alzheimer's researcher/clinician.

The awards program will be administered through the NIA, and should provide support for institutions focused primarily on Alzheimer's research but linked to a clinical treatment facility.

The awards program will complement the Alzheimer's disease research centers (currently funded through NIA) or similar institutions that are State or privately funded.

The awards program will encourage institutions implementing the program to specialize in training physicians and ultimately becoming Alzheimer's physician training centers.

The awards program will advance research and clinical treatment for Alzheimer's disease.

The committee believes that the Alzheimer's Clinical Research and Training Program should be paid for by using surplus revenues:

Use \$2.25 million each year for the next 5 years to fund the awards program, providing 15 \$150,000 awards in each of the next 5 years for a total cost of \$11.25 million.

Medicare

The Medicare Payment Advisory Commission should continue to monitor Medicare skilled nursing benefits to determine if payment rates are sufficient to provide quality care, and that if the Commission recommends reform, Congress should pass legislation as quickly as possible to assure quality skilled nursing care.

General Government

This budget resolution amendment contains the following provisions:

It allows Federal employees to participate immediately in the Thrift Savings Plan [TSP].

It calls for a pay increase of no less than 3.7 percent for Federal employees.

BUDGET COMMITTEE OVERSIGHT FINDINGS

COMMITTEE ACTIVITIES

Clause 3(c)(1) of Rule XIII requires each committee report to contain oversight findings and recommendations pursuant to clause 2(b)(1) of rule X. The Budget Committee has not reported findings at the present time, but has conducted a hearing on waste, fraud, abuse, and mismanagement, and has formed oversight task forces, as further discussed below.

Fraud, waste, abuse, and mismanagement undermine the effectiveness of Government programs, cost taxpayers billions in lost and wasted dollars, and deprive programs and beneficiaries of resources they are intended to receive. When such problems are chronic, they also jeopardize the credibility of a Government that spends about \$1.8 trillion a year. As House Majority Leader Richard K. Armey has said: "Every dollar spent by the Government is a dollar earned by someone else. Taxpayers deserve a Government that doesn't waste their hard-earned dollars."

Therefore, the Committee on the Budget has made oversight of Federal programs a top priority for the coming year. Two activities already have been completed:

- On 15 February 2000, the Committee majority published *Reviving the Reform Agenda: The Urgent Need to Address Government Waste, Fraud, Abuse, and Mismanagement*. The report summarized problems identified by the General Accounting Office [GAO], the agency inspectors general, and other sources. It focused on the Department of Defense; the Department of Housing and Urban Development; Medicare; Medicaid; food stamps and other nutrition programs; Supplemental Security Income; and the Earned Income Credit. It also addressed fragmentation and duplication in Government programs.
- On 17 February 2000, the Committee conducted a hearing titled "Oversight of 'High-Risk' Government Programs," at which several expert witnesses testified to the extensive problems of fraud, waste, abuse, and mismanagement in the Government. Comptroller General David M. Walker gave extensive testimony at this hearing, as did the inspectors general from the Departments of Defense, Education, Housing and Urban Development, and Health and Human Services.

The Committee's continuing oversight activities this year will be driven by six bipartisan task forces, which were formally created at a business meeting on 16 March 2000, just prior to markup of the budget resolution. The task forces will focus on the following areas: defense and international; education and training; health; natural resources and the environment; housing and infrastructure; and welfare.

BACKGROUND ON THE PROBLEM

Federal programs continue to waste billions of dollars annually through longstanding, systemic problems that persist—and in some cases are growing worse—despite repeated warnings from the Gov-

ernment's principal watchdogs, the General Accounting Office [GAO] and the inspectors general [IG] of Government agencies. Although most programs have problems unique to themselves, certain broad failures appear throughout. These include billions of dollars in improper Government payments; programs at high risk of waste, abuse, and mismanagement; a lack of financial accountability; and the persistence of fraud from both inside and outside the Government.

IMPROPER GOVERNMENT PAYMENTS

This past October, in a report on the Government's financial management, GAO cited \$19.1 billion in improper Government payments for fiscal year 1998 (see chart). But the widely cited figure—applying to 17 major programs that spent about \$870 billion—actually understates the size of the problem. It accounts only for the improper payments that could be quantified. In fact, GAO said: "Improper payments are much greater than have been disclosed thus far." (GAO, *Financial Management: Increased Attention Needed to Prevent Billions in Improper Payments*, October 1999)

To support this view, GAO's report noted the following:

- The Agency for International Development, the Medicaid Program, and the Federal Crop Insurance Corporation all acknowledged improper payments, but did not disclose the amounts.
- In fiscal years 1994 through 1998, Department of Defense contractors returned \$984 million that the Government erroneously paid to them.
- In a review of 290,000 Earned Income Credit [EIC] tax returns with indications of errors or irregularities, the Internal Revenue Service [IRS] found that \$448 million (68 percent of the \$662 million claimed) was invalid for fiscal year 1998.

\$19.1 Billion in Improper Payments

Medicare	\$12.6 Billion
Supplemental Security Income	1.6 Billion
The Food Stamp Program	1.4 Billion
Old Age and Survivors Insurance	1.2 Billion
Disability Insurance	941 Million
Housing Subsidies	857 Million
Veterans Benefits, Unemployment Insurance, and Others	514 Million

Source: GAO, *Financial Management: Increased Attention Needed to Prevent Billions in Payments*, October 1999.

In addition, many Federal programs share key characteristics with those listed above—complex regulations, an emphasis on swift payments, and a large volume of transactions—and hence also risk making improper payments, GAO said. The problem is worsened because Government agencies do not perform comprehensive reviews of their payment methods. As a result, GAO said, "the full extent of the Government's improper payments is not known." (GAO, *Financial Management: Increased Attention Needed to Prevent Billions in Improper Payments*, October 1999)

[Note: In February the Health and Human Services IG released a new audit estimating that improper Medicare payments had increased in fiscal year 1999 to \$13.5 billion—roughly \$1 billion greater than the year before. (Department of Health and Human

Services IG, *Improper Fiscal Year 1999 Medicare Fee-for-Service Payments*, February 2000.)]

PROGRAMS AND AGENCIES REMAIN AT “HIGH RISK”

Since 1990, GAO has identified programs and agencies considered at “high risk” for waste, fraud, abuse, and mismanagement. The problem areas cut across virtually every part of the Government, and most remain at high risk year after year (see chart).

1999 High-Risk Areas and the Year They Were Designated High Risk

Managing Large Procurement Operations More Efficiently	
• DOD Inventory Management	1990
• DOD Weapon Systems Acquisition	1990
• DOD Contract Management	1992
• Department of Energy Contract Management	1990
• Superfund Contract Management	1990
• NASA Contract Management	1990
Reducing Inordinate Program Management Risks	
• Medicare	1990
• Supplemental Security Income	1997
• IRS Tax Filing Fraud	1995
• DOD Infrastructure Management	1997
• HUD Programs	1994
• Student Financial Aid Programs	1990
• Farm Loan Programs	1990
• Asset Forfeiture Programs	1990
• The 2000 Census	1997
Ensuring Major Technology Investments Improve Services	
• Air Traffic Control Modernization	1995
• Tax Systems Modernization	1995
• National Weather Service Modernization	1995
• DOD Systems Development and Modernization Efforts	1995
Providing Basic Financial Accountability	
• DOD Financial Management	1995
• Forest Service Financial Management	1999
• FAA Financial Management	1999
• IRS Financial Management	1995
• IRS Receivables	1990
Resolving Serious Information Security Weaknesses	1997
Addressing Urgent Year 2000 Computing Challenge	1997

Source: GAO/HR-99-1 High-Risk Update, January 1999.

The list is still growing. Although the Government apparently resolved most of its Y2K computer conversion problems—which had been deemed high risk in 1997—a summary of the remaining high-risk designations reveals the following:

- Ten of the 14 programs first identified as high risk in 1990 were still at high risk in GAO’s most recent assessment.
- Fifteen programs have been added to the list since 1993.
- A total of 19 programs have been high risk for 4 years or more.
- Since 1995, the financial management operations of four major agencies—the Department of Defense, the Forest Service, the Federal Aviation Administration, and the Internal Revenue Service—have been added to the high-risk list.

LACK OF FINANCIAL ACCOUNTABILITY

In the words of Representative Pete Hoekstra—a Budget Committee member—an audit of an agency’s financial records is “like making sure your shoes are tied, so you don’t trip.” If an agency handles its money properly, “there is less chance of taxpayer dol-

lars being lost to waste, fraud, and abuse.” By these terms, the shoes of many Government agencies—as well as the Government as a whole—have been left untied.

The most recent audits, for fiscal year 1998, showed that six major agencies—the Departments of Agriculture, Defense, Education, Justice, and Transportation, and the Agency for International Development—could not provide financial statements that reliably account for the hundreds of billions of dollars they spent. Put another way, these agencies failed to produce the kinds of financial records that the Government requires of every private-sector company that trades its stock publicly.

A striking example, which shows no signs of improving, is the Department of Defense [DOD]. In a December 1999 summary, the IG reported that DOD’s financial statements were “less timely than ever,” and that they contained “a record \$1.7 trillion of unsupported adjustments”—an amount roughly the same as the entire Federal budget. The IG also cited “problems related to cash management” in the DOD working capital funds, “inaccurate or untimely recording of obligations and disbursements,” and “vulnerability to fraud.” The IG concluded: “DOD does not expect a significant difference in the overall results of financial statement audits for several more years.” (Department of Defense IG, Detailed Response to Congressional Request of September 22, 1999 on DOD Management Challenges, 15 December 1999)

The fiscal year 1998 financial statements for the Government overall were also deemed unreliable. GAO’s audit specified—among other problems—that the Government cannot:

- Properly account for billions of dollars of property, equipment, materials, and supplies.
- Properly estimate the cost of most major Federal credit programs and related loans receivable and loan guarantee liabilities.
- Estimate and reliably report amounts of environmental and disposal liabilities and reported costs.
- Determine amounts of Government liabilities such as health benefits for retired military employees.
- Determine the full extent of the billions in improper payments through Government programs.

Said GAO: “[S]ignificant financial systems weaknesses, problems with fundamental recordkeeping and financial reporting, incomplete documentation, and weak internal controls, including computer controls, continue to prevent the Government from accurately reporting a significant portion of its assets, liabilities, and costs . . . They also affect the Government’s ability . . . to manage its programs.” (GAO, Financial Audit: 1998 Financial Report of the United States Government, March 1999)

FRAUD

Fraud continues to pervade many large Government programs. Among the examples cited in this report are the following:

- The Earned Income Credit [EIC]—GAO reports that this credit “has historically been vulnerable to high rates of invalid claims.” As recently as December 1999, the Treasury Department’s inspector general cited “scams” and “conspiracies” in which hun-

dreds of taxpayers' Social Security numbers were used to perpetrate EIC fraud.

- Food Stamps—Because food stamps are a kind of parallel currency, they are subject to “trafficking” among a variety of businesses, or exchanged by beneficiaries for cash to buy cigarettes, toys, clothing, or other nonfood items.
- Supplemental Security Income [SSI]—This cash assistance program is frequently defrauded by persons who misrepresent their income to qualify for benefits; by malingerers who falsely claim disabilities to obtain benefits; and by unscrupulous doctors and lawyers who vouch for false claimants.

Other examples include the Federal Employees Health Benefits Program, estimated to consume as much as \$1.8 billion a year in waste, fraud, and abuse (Office of Personnel Management IG, Most Serious Management Problems: Office of Personnel Management, 1 December 1999); and Unemployment Insurance [UI], which is subject to various abuses, including “fraudulent employer schemes, internal embezzlement schemes, and the fraudulent collection of UI benefits by illegal aliens using counterfeit or unissued Social Security numbers.” (Department of Labor IG, U.S. Department of Labor: Top Management Issues, 8 December 1999)

But in the Government's medical programs, fraud has taken on a new form. According to an October 1999 GAO report, Medicare and Medicaid have attracted their own class of criminals, who specialize in defrauding these Government programs, as well as private-sector health insurance. “While the full extent of the problem remains unknown,” GAO said, “we did determine that career criminal and organized criminal groups are involved in Medicare, Medicaid, and private insurance health care fraud or alleged fraud throughout the country.” (GAO memorandum, Health Care: Fraud Schemes Committed by Career Criminals and Organized Criminal Groups and Impact on Consumers and Legitimate Health Care Providers, 5 October 1999)

Compounding the problem is the Government's own laxity in monitoring and oversight of these programs. This environment “permitted unscrupulous providers opportunities to obtain additional unjustified payments,” GAO said. In other words, the Government itself bears at least some responsibility for the fraud perpetrated against its own programs. As GAO put it: “The lack of sufficient oversight and monitoring controls can lead to improper payments by fostering an atmosphere that invites fraud.” (GAO, Financial Management: Increased Attention Needed to Prevent Billions in Improper Payments, October 1999)

The Task Force on Social Security of the Committee on the Budget held a series of briefings and hearings on the budgetary implications of proposed reforms of the Social Security Program. On 15 July 1999, the Task Force reported 18 findings to the Committee on the Budget.

ROLL CALL VOTES AND OTHER ITEMS REQUIRED UNDER HOUSE RULES

COMMITTEE VOTES

Clause 3(b) of House Rule XIII requires each committee report to accompany any bill or resolution of a public character, ordered to include the total number of votes cast for and against on each roll call vote, on a motion to report and any amendments offered to the measure or matter, together with the names of those voting for and against. Listed below are the roll call votes taken in the House Budget Committee on the concurrent resolution on the budget for fiscal year 2001.

On March 15, 2000 the Committee met in open session, a quorum being present. The committee adopted and ordered reported the Concurrent Resolution on the Budget for Fiscal year 2001. The following votes were taken in Committee:

Mr. Chambliss asked unanimous consent that the Chairman be authorized, consistent with clause 4 of House Rule XVI, to declare a recess at any time during the Committee meeting.

There was no objection to the unanimous consent request.

Mr. Chambliss asked unanimous consent that the Committee on the Budget establish six oversight task forces to operate through September 13, 2000: In the area of housing and infrastructure, welfare, defense & international affairs, education and training, health, and natural resources and the environment; to be comprised of Members of the Majority who are appointed by Chairman Kasich and Members of the Minority to be appointed by Mr. Spratt with a ratio that reflects one more member of the Majority than the Minority on each panel; on which Chairman Kasich and Mr. Spratt will be ex officio members; to have a Chairman appointed by Chairman Kasich and a Ranking Minority Member to be appointed by Mr. Spratt; to hold oversight hearings and issue a report to the full Committee, on its findings and any recommendations, to the Committee on the Budget; and that will operate under the Rules of the Committee on the Budget for the 106th Congress so far as applicable.

There was no objection to the unanimous consent request.

Chairman Kasich asked unanimous consent to dispense with the first reading of the resolution and that the budget aggregates, function levels, and reconciliation levels be open for amendment at any time.

There was no objection to the unanimous consent request.

Mr. Price offered an amendment to reduce the reduction in revenue and to reduce the reconciliation instruction by \$5 billion in 2001 and by \$75 billion over the five-year period of fiscal years 2001 through 2005. The amendment also included language dedicating an amount of the on-budget surplus over 10 years equal to

\$300 billion to the Social Security system and to transfer \$300 billion of the on-budget surplus over 10 years to the Medicare program. In addition, starting in 2011, amounts would be transferred to the Social Security trust funds equal to the reduction in government interest expenses resulting from the repayment of publicly held debt achieved by devoting all of the Social Security surplus and \$300 billion of the on-budget surplus to debt repurchase over the preceding 10 years. Finally, the amendment included language saying 100 percent of the surplus would be saved and used to buy back debt.

The amendment offered by Mr. Price was not agreed to by a roll call vote of 14 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking	X		
Mr. Chambliss		X		Mr. McDermott	X		
Mr. Shays				Ms. Rivers	X		
Mr. Herger		X		Mr. Thompson			
Mr. Franks				Mr. Minge			
Mr. Smith		X		Mr. Bentsen	X		
Mr. Nussle		X		Mr. Davis			
Mr. Hoekstra		X		Mr. Weygand	X		
Mr. Radanovich		X		Mrs. Clayton	X		
Mr. Bass		X		Mr. Price	X		
Mr. Gutknecht		X		Mr. Markey			
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts		X		Mr. Moran			
Mr. Knollenberg		X		Mr. Hoolley	X		
Mr. Thornberry		X		Mr. Lucas	X		
Mr. Ryan		X		Mr. Holt	X		
Mr. Collins		X		Mr. Hoeffel	X		
Mr. Wamp		X		Ms. Baldwin	X		
Mr. Green		X					
Mr. Fletcher		X					
Mr. Miller		X					
Mr. Ryan		X					
Mr. Toomey		X					

Mr. Hoeffel offered an amendment to reduce the reduction in revenue and to reduce the reconciliation instruction by \$5 billion in 2001 and by \$75 billion over the five-year period of fiscal years 2001 through 2005. The amendment included a reconciliation directive directing the Committee on Ways and Means to report a bill reducing revenue by \$5 billion in fiscal year 2001 and \$75 billion over the five-year period of fiscal years 2001 through 2005, providing that 100 percent of the Social Security surplus over ten years and \$75 billion of the on-budget surplus over five years be used to buy back publicly held debt.

The amendment offered by Mr. Hoeffel was not agreed to on a roll call vote of 16 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking	X		
Mr. Chambliss		X		Mr. McDermott	X		
Mr. Shays				Ms. Rivers	X		
Mr. Herger		X		Mr. Thompson			
Mr. Franks		X		Mr. Minge	X		
Mr. Smith		X		Mr. Bentsen	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Nussle		X	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra		X	.....	Mr. Weygand	X	.....	.....
Mr. Radanovich		X	.....	Mrs. Clayton	X	.....	.....
Mr. Bass		X	.....	Mr. Price	X	.....	.....
Mr. Gutknecht		X	.....	Mr. Markey .....		.....	.....
Mr. Hilleary		X	.....	Mr. Kleczka	X	.....	.....
Mr. Sununu		X	.....	Mr. Clement	X	.....	.....
Mr. Pitts		X	.....	Mr. Moran .....		.....	.....
Mr. Knollenberg		X	.....	Mr. Hooley	X	.....	.....
Mr. Thornberry		X	.....	Mr. Lucas	X	.....	.....
Mr. Ryun		X	.....	Mr. Holt	X	.....	.....
Mr. Collins		X	.....	Mr. Hoeffel	X	.....	.....
Mr. Wamp		X	.....	Ms. Baldwin	X	.....	.....
Mr. Green		X	.....			
Mr. Fletcher		X	.....			
Mr. Miller		X	.....			
Mr. Ryan		X	.....			
Mr. Toomey		X	.....			

Mr. Weygand offered an amendment to increase budget authority and outlays for Functions 550 and 570 by \$34.5 billion over five years to reflect the establishment of a voluntary, universal prescription drug benefit and protection for low-income Americans against the cost sharing requirement of the prescription drug benefit under Medicare as proposed in the President's budget submission. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. Finally, the revenue instruction would be reduced by the same amount.

The amendment offered by Mr. Weygand was not agreed to on a roll call vote of 19 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X	.....	Mr. Spratt, Ranking	X	.....	.....
Mr. Chambliss		X	.....	Mr. McDermott	X	.....	.....
Mr. Shays		X	.....	Ms. Rivers	X	.....	.....
Mr. Herger		X	.....	Mr. Thompson	X	.....	.....
Mr. Franks		X	.....	Mr. Minge	X	.....	.....
Mr. Smith		X	.....	Mr. Bentsen	X	.....	.....
Mr. Nussle		X	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra		X	.....	Mr. Weygand	X	.....	.....
Mr. Radanovich		X	.....	Mrs. Clayton	X	.....	.....
Mr. Bass		X	.....	Mr. Price	X	.....	.....
Mr. Gutknecht		X	.....	Mr. Markey	X	.....	.....
Mr. Hilleary		X	.....	Mr. Kleczka	X	.....	.....
Mr. Sununu		X	.....	Mr. Clement	X	.....	.....
Mr. Pitts		X	.....	Mr. Moran	X	.....	.....
Mr. Knollenberg		X	.....	Mr. Hooley	X	.....	.....
Mr. Thornberry		X	.....	Mr. Lucas	X	.....	.....
Mr. Ryun		X	.....	Mr. Holt	X	.....	.....
Mr. Collins		X	.....	Mr. Hoeffel	X	.....	.....
Mr. Wamp		X	.....	Ms. Baldwin	X	.....	.....
Mr. Green		X	.....			
Mr. Fletcher		X	.....			
Mr. Miller		X	.....			
Mr. Ryan		X	.....			
Mr. Toomey		X	.....			

Mr. Holt offered an amendment to increase over five years budget authority in the amount of \$15.2 billion and outlays in the amount of \$9.5 billion for Function 500 to reflect initiatives included in the President's budget submission. These initiatives in-

cluded provisions to hire teachers, reduce class size in the early grades, and provide assistance for school construction through loans, grants and tax credits. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. The revenue instruction would also be reduced by the same amount. Finally, the amendment would reserve \$1.7 billion for tax credits to be used for the construction of new schools and the renovation of existing facilities.

The amendment offered by Mr. Holt was not agreed to on a roll call vote of 18 ayes and 24 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X	.....	Mr. Spratt, Ranking	X	.....	.....
Mr. Chambliss	X	.....	Mr. McDermott	X	.....	.....
Mr. Shays	X	.....	Ms. Rivers	X	.....	.....
Mr. Herger	X	.....	Mr. Thompson	X	.....	.....
Mr. Franks	X	.....	Mr. Minge	X	.....	.....
Mr. Smith	X	.....	Mr. Bentsen	X	.....	.....
Mr. Nussle	X	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra	X	.....	Mr. Weygand	X	.....	.....
Mr. Radanovich	X	.....	Mrs. Clayton	X	.....	.....
Mr. Bass	X	.....	Mr. Price	X	.....	.....
Mr. Gutknecht	X	.....	Mr. Markey .....	.....	.....	.....
Mr. Hilleary	X	.....	Mr. Kleczka	X	.....	.....
Mr. Sununu	X	.....	Mr. Clement	X	.....	.....
Mr. Pitts	X	.....	Mr. Moran	X	.....	.....
Mr. Knollenberg	X	.....	Mr. Hooley	X	.....	.....
Mr. Thornberry	X	.....	Mr. Lucas	X	.....	.....
Mr. Ryan	X	.....	Mr. Holt	X	.....	.....
Mr. Collins	X	.....	Mr. Hoeffel	X	.....	.....
Mr. Wamp	X	.....	Ms. Baldwin	X	.....	.....
Mr. Green	X	.....			
Mr. Fletcher	X	.....			
Mr. Miller	X	.....			
Mr. Ryan	X	.....			
Mr. Toomey	X	.....			

Mr. McDermott offered an amendment to modify the reconciliation instruction included in the Chairman's Mark to direct the Committee on Ways and Means to reduce the aggregate level of revenues by \$10 billion in fiscal year 2001, by \$483 billion for fiscal years 2002 through 2006 and by \$1.269 trillion for fiscal years 2001 through 2010 to reflect Governor George W. Bush's proposed package of tax cuts.

The amendment offered by Mr. McDermott as amended by a second degree perfecting amendment offered by Mr. Chambliss was agreed to by a voice vote.

Mr. Chambliss offered a second degree perfecting amendment expressing the sense of the House of Representatives that the Committee on the Budget has created task forces to address the issue of waste, fraud, and abuse and that the President should take immediate steps to reduce waste, fraud and abuse within the Federal Government and report such findings to Congress and that the resolution should include reconciliation directives to the appropriate committees of jurisdiction to dedicate any savings from implementation of such findings to debt reduction and tax relief.

The second degree perfecting amendment offered by Mr. Chambliss was agreed to by a voice vote.

Mrs. Clayton offered an amendment to increase budget authority by \$1.3 billion in fiscal year 2001 and \$17 billion over five years, to increase outlays by \$558 million in fiscal year 2001 and \$16.1 billion over five years for function 600; to increase budget authority by \$2.2 billion in fiscal year 2001 and \$11.8 billion over five years, and outlays by \$984 in fiscal year 2001 and \$9.8 billion over five years for function 500; to increase budget authority and outlays by \$0 in fiscal year 2001 and \$1.7 billion over five years for function 550. These increases would reflect increased funding for the Child Care Development Block Grant, the Social services block grant and expansions of Head Start and 21st Century Community Learning Centers. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. An amount within the reduction in revenue would be reserved for an expansion of the earned Income Tax Credit and the Child and Dependent Care Tax Credit.

The amendment offered by Mrs. Clayton was not agreed to by a vote of 16 ayes and 22 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking	X		
Mr. Chambliss		X		Mr. McDermott	X		
Mr. Shays		X		Ms. Rivers	X		
Mr. Herger		X		Mr. Thompson	X		
Mr. Franks		X		Mr. Minge	X		
Mr. Smith				Mr. Bentsen			
Mr. Nussle		X		Mr. Davis	X		
Mr. Hoekstra		X		Mr. Weygand	X		
Mr. Radanovich		X		Mrs. Clayton	X		
Mr. Bass		X		Mr. Price	X		
Mr. Gutknecht		X		Mr. Markey			
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts		X		Mr. Moran			
Mr. Knollenberg				Mr. Hooley	X		
Mr. Thornberry		X		Mr. Lucas	X		
Mr. Ryan		X		Mr. Holt	X		
Mr. Collins		X		Mr. Hoeffel	X		
Mr. Wamp		X		Ms. Baldwin	X		
Mr. Green		X					
Mr. Fletcher		X					
Mr. Miller		X					
Mr. Ryan		X					
Mr. Toomey		X					

Mr. Minge offered an amendment to include reconciliation instructions directing the Committee on Agriculture to report to the Committee on the Budget a recommendation consisting of changes within its jurisdiction to increase outlays by \$6 billion for fiscal year 2000 and by \$7.2 billion for the period of fiscal years 2001 through 2005.

The amendment offered by Mr. Minge was not agreed to by a voice vote.

Ms. Baldwin offered an amendment to increase budget authority and outlays by \$100 million in fiscal year 2001 and by \$600 million over five years for Function 550; to increase budget authority and outlays by \$0 in fiscal year 2001 and by \$200 million over five years for function 570. These increases would reflect increased funding for accelerated enrollment of uninsured children eligible

for Medicaid and the State Children's Health Insurance Program and for Medicaid treatment for women diagnosed with certain kinds of cancer. The amendment also increases budget authority and outlays for Function 570 to reflect increased funding for a Medicare "buy-in" provision as included in President's budget submission. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. The amendment further requires the reservation of \$0 million in fiscal year 2001 and \$2 billion over five years for the tax credit associated with the President's budget submission for 25 percent of the premiums for participants of the Medicare Buy-In. The amendment requires the reservation of \$0 million in fiscal year 2001 and \$4.4 billion over five years for the tax credit associated with the President's budget submission for 25 percent of the premium for participants in the COBRA expansions.

The amendment offered by Ms. Baldwin as amended by a second degree perfecting amendment offered by Representatives Fletcher, Ryan and Green was agreed to by a roll call vote of 28 ayes, 12 noes, with one member voting present.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X	.....	.....	Mr. Spratt, Ranking .....	.....	.....	X
Mr. Chambliss	X	.....	.....	Mr. McDermott .....	.....	X	.....
Mr. Shays	X	.....	.....	Ms. Rivers .....	.....	X	.....
Mr. Herger	X	.....	.....	Mr. Thompson .....	.....	X	.....
Mr. Franks	X	.....	.....	Mr. Minge	X	.....	.....
Mr. Smith	X	.....	.....	Mr. Bentsen .....	.....	X	.....
Mr. Nussle	X	.....	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra	X	.....	.....	Mr. Weygand .....	.....	X	.....
Mr. Radanovich	X	.....	.....	Mrs. Clayton .....	.....	.....	.....
Mr. Bass	X	.....	.....	Mr. Price .....	.....	X	.....
Mr. Gutknecht	X	.....	.....	Mr. Markey .....	.....	X	.....
Mr. Hilleary	X	.....	.....	Mr. Kleczka .....	.....	X	.....
Mr. Sununu	X	.....	.....	Mr. Clement .....	.....	X	.....
Mr. Pitts	X	.....	.....	Mr. Moran .....	.....	.....	.....
Mr. Knollenberg	X	.....	.....	Mr. Hooley	X	.....	.....
Mr. Thornberry	X	.....	.....	Mr. Lucas .....	.....	X	.....
Mr. Ryan	X	.....	.....	Mr. Holt .....	.....	X	.....
Mr. Collins	X	.....	.....	Mr. Hoeffel .....	.....	X	.....
Mr. Wamp	X	.....	.....	Ms. Baldwin	X	.....	.....
Mr. Green	X	.....	.....		
Mr. Fletcher	X	.....	.....		
Mr. Miller	X	.....	.....		
Mr. Ryan	X	.....	.....		
Mr. Toomey	X	.....	.....		

Mr. Fletcher offered a second degree perfecting amendment increasing mandatory budget authority and outlays for function 550 by \$100 million for fiscal year 2001 and by \$500 million for fiscal years 2001 through 2005 to reflect increased funding for accelerated enrollment of uninsured children eligible for Medicaid and the State Children's Health Insurance Program and for Medicaid treatment for women diagnosed with certain kinds of cancer. In addition, reduce discretionary budget authority and outlays in Function 550 by an equal amount.

The amendment offered by Representatives Fletcher, Ryan and Green was agreed to by voice vote.

Ms. Hooley offered an amendment to increase budget authority by \$721 million in fiscal year 2001 and by \$3.8 billion over five years, and to increase outlays by \$402 million in fiscal year 2001 and by \$3.4 billion over five years for function 300; to increase budget authority by \$27 million in fiscal year 2001 and by \$142 million over five years, and to increase outlays by \$3 million in fiscal year 2001 and by \$86 million over five years for Function 450; to increase budget authority by \$125 million in fiscal year 2001 and by \$659 million over five years, and to increase outlays by \$28 million in fiscal year 2001 and by \$490 million over five years for Function 750. The increased funding reflects the Lands Legacy Initiative and the Livable Communities Initiative included within the President's budget submission. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. The amendment directs the Chairman of the Committee on the Budget to increase the 302(a) allocation by \$1.4 billion in budget authority and \$1.0 billion for outlays for fiscal year 2001 to the Appropriations Committee provided they report legislation providing funding for Federal land acquisitions, conservation related grants to states, tribes and localities and ocean and coastal conservation programs.

The amendment was not agreed to by a roll call vote of 18 ayes and 24 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking	X		
Mr. Chambliss		X		Mr. McDermott			
Mr. Shays		X		Ms. Rivers	X		
Mr. Herger		X		Mr. Thompson	X		
Mr. Franks		X		Mr. Minge	X		
Mr. Smith		X		Mr. Bentsen	X		
Mr. Nussle		X		Mr. Davis	X		
Mr. Hoekstra		X		Mr. Weygand	X		
Mr. Radanovich		X		Mrs. Clayton	X		
Mr. Bass		X		Mr. Price	X		
Mr. Gutknecht		X		Mr. Markey	X		
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts		X		Mr. Moran	X		
Mr. Knollenberg		X		Mr. Hooley	X		
Mr. Thornberry		X		Mr. Lucas	X		
Mr. Ryan		X		Mr. Hoit	X		
Mr. Collins		X		Mr. Hoeffel	X		
Mr. Wamp		X		Ms. Baldwin	X		
Mr. Green		X					
Mr. Fletcher		X					
Mr. Miller		X					
Mr. Ryan		X					
Mr. Toomey		X					

Mr. Bentsen offered an amendment to increase budget authority by \$1.8 billion in fiscal year 2001 and by \$33.5 billion over five years, and to increase outlays by \$556 million in fiscal year 2001 and by \$14.3 billion over five years in Function 550 to reflect increased funding for the National Institutes of Health. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Bentsen was not agreed to by voice vote.

Mr. McDermott offered an amendment to reserve within the aggregate revenue levels by \$446 million in fiscal year 2001 and by \$4.4 billion over the five year period from 2001 through 2005, to reflect health related tax provisions that passed in the first session of the 106th Congress.

The amendment offered by Mr. McDermott was agreed to by a voice vote.

Mr. Holt offered an amendment to increase budget authority by \$675 million in fiscal year 2001 and by \$3.9 billion over five years, and to increase outlays by \$170 million in fiscal year 2001 and by \$2.8 billion over five years in Function 250 to reflect increased funding for the National Science Foundation. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Holt as modified by the unanimous consent request was agreed to by voice vote.

Mr. Holt asked unanimous consent to modify his amendment to represent \$100 million in budget authority in fiscal year 2001 and zero in subsequent years and the appropriate amount of outlays for fiscal year 2001 and over five years.

There was no objection to the unanimous consent request.

Mr. Smith offered a second-degree perfecting amendment to modify the amendment offered by Mr. Holt to reflect the sense of Congress that Function 270 levels assume an amount of funding which ensures that the National Science Foundation's important role in funding basic research leads to the innovations that assure the Nation's economic future, and recognizing the National Science Foundation plays a crucial role in cultivating America's intellectual infrastructure.

Mr. Smith withdrew his second degree perfecting amendment.

Mr. Markey offered an amendment to increase budget authority by \$2.25 in fiscal year 2001 and by \$11.25 million over five years, and to increase outlays by \$2.25 in fiscal year 2001 and by \$11.25 million over five years in Function 550 to reflect increased funding to support a program for training physicians to treat and recognize Alzheimer's and dedicate their careers to improving care for Alzheimer's Patients. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Markey was agreed to by voice vote.

Mr. Clement offered an amendment to increase budget authority by \$100 million in fiscal year 2001 and by \$2.9 billion over five years, and to increase outlays by \$100 in fiscal year 2001 and by \$2.9 billion over five years in Function 700 to reflect higher funding for certain veterans programs. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

Mr. Clement withdrew his amendment.

Mr. Holt offered an amendment to increase budget authority by \$740 in fiscal year 2001 and by \$3.8 billion over five years, and to increase outlays by \$37 million in fiscal year 2001 and by \$2.1 billion over five years in Function 750 to reflect funding for the 21st Century Policing Initiative. In addition, the aggregate level of reve-

nues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Holt was not agreed to by a roll call vote of 17 ayes and 24 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking	X		
Mr. Chambliss		X		Mr. McDermott			
Mr. Shays		X		Ms. Rivers	X		
Mr. Herger		X		Mr. Thompson	X		
Mr. Franks		X		Mr. Minge	X		
Mr. Smith		X		Mr. Bentsen	X		
Mr. Nussle		X		Mr. Davis	X		
Mr. Hoekstra		X		Mr. Weygand	X		
Mr. Radanovich		X		Mrs. Clayton	X		
Mr. Bass		X		Mr. Price	X		
Mr. Gutknecht		X		Mr. Markey			
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts		X		Mr. Moran	X		
Mr. Knollenberg		X		Mr. Hooley	X		
Mr. Thornberry		X		Mr. Lucas	X		
Mr. Ryan		X		Mr. Holt	X		
Mr. Collins		X		Mr. Hoeffel	X		
Mr. Wamp		X		Ms. Baldwin	X		
Mr. Green		X					
Mr. Fletcher		X					
Mr. Miller		X					
Mr. Ryan		X					
Mr. Toomey		X					

Ms. Rivers offered an amendment to increase budget authority by \$9.2 billion in fiscal year 2001 and by \$52.6 billion over five years, and to increase outlays by \$184 million in fiscal year 2001 and by \$36.6 billion over five years in Function 500 to reflect increased funding for special education. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Ms. Rivers as amended by the amendment offered by Mr. Bass was agreed to by voice vote.

Mr. Bass offered a second degree perfecting amendment to the amendment offered by Ms. Rivers to express the sense of Congress that Function 500 levels assume at least a \$2 billion increase in funding for fiscal year 2001 over the level provided in fiscal year 2000 and to reflect the commitment of Congress eventually appropriate 40 percent of the national per pupil expenditure for children with disabilities by a date certain.

The second degree perfecting amendment offered by Mr. Bass was agreed to on a roll call vote of 22 ayes and 17 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X			Mr. Spratt, Ranking		X	
Mr. Chambliss	X			Mr. McDermot			
Mr. Shays	X			Ms. Rivers		X	
Mr. Herger	X			Mr. Thompson		X	
Mr. Franks	X			Mr. Minge		X	
Mr. Smith	X			Mr. Bentsen		X	
Mr. Nussle	X			Mr. Davis		X	
Mr. Hoekstra	X			Mr. Weygand		X	
Mr. Radanovich				Mrs. Clayton		X	
Mr. Bass	X			Mr. Price		X	

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Gutknecht	X	.....	.....	Mr. Markey .....	.....	.....	.....
Mr. Hilleary	X	.....	.....	Mr. Kleczka .....	.....	X	.....
Mr. Sununu	X	.....	.....	Mr. Clement .....	.....	X	.....
Mr. Pitts .....	.....	.....	.....	Mr. Moran .....	.....	X	.....
Mr. Knollenberg	X	.....	.....	Mr. Hooley .....	.....	X	.....
Mr. Thornberry	X	.....	.....	Mr. Lucas .....	.....	X	.....
Mr. Ryan	X	.....	.....	Mr. Holt .....	.....	X	.....
Mr. Collins	X	.....	.....	Mr. Hoeffel .....	.....	X	.....
Mr. Wamp	X	.....	.....	Ms. Baldwin .....	.....	X	.....
Mr. Green	X	.....	.....		
Mr. Fletcher	X	.....	.....		
Mr. Miller	X	.....	.....		
Mr. Ryan	X	.....	.....		
Mr. Toomey	X	.....	.....		

Chairman Kasich offered an amendment to reflect a budget authority increase from the Chairman's Mark of \$100 million for fiscal year 2001 for function 250 and the appropriate level of outlays. In addition, Chairman Kasich offered for Mr. Smith language expressing the sense of Congress on funding for the National Science Foundation that was previously offered by Mr. Smith but withdrawn. In addition, Chairman Kasich offered an amendment to reflect an increase from the Chairman's original mark of \$100 million for fiscal year 2001 for function 250 and the appropriate level of outlays (due to uncertainty over the final disposition of the original Holt amendment).

The amendment was agreed to by voice vote.

Mr. Moran offered an amendment to increase budget authority by \$200 million in fiscal year 2001 and by \$1 billion over five years, and to increase outlays by \$120 million in fiscal year 2001 and by \$890 million over five years in Function 750 to reflect increased funding for the United States Customs Service Automated Commercial Environment modernization program. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Moran was not agreed to by a roll call vote of 16 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X	.....	Mr. Spratt, Ranking	X	.....	.....
Mr. Chambliss	X	.....	Mr. McDermott .....	.....	.....	.....
Mr. Shays	X	.....	Ms. Rivers	X	.....	.....
Mr. Herger	X	.....	Mr. Thompson	X	.....	.....
Mr. Franks	X	.....	Mr. Minge .....	.....	.....	.....
Mr. Smith	X	.....	Mr. Bentsen	X	.....	.....
Mr. Nussle	X	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra	X	.....	Mr. Weygand	X	.....	.....
Mr. Radanovich	Mrs. Clayton	X	.....	.....
Mr. Bass	X	.....	Mr. Price	X	.....	.....
Mr. Gutknecht	X	.....	Mr. Markey .....	.....	.....	.....
Mr. Hilleary	X	.....	Mr. Kleczka	X	.....	.....
Mr. Sununu	X	.....	Mr. Clement	X	.....	.....
Mr. Pitts	X	.....	Mr. Moran	X	.....	.....
Mr. Knollenberg	X	.....	Mr. Hooley	X	.....	.....
Mr. Thornberry	X	.....	Mr. Lucas	X	.....	.....
Mr. Ryan	X	.....	Mr. Holt	X	.....	.....
Mr. Collins	X	.....	Mr. Hoeffel	X	.....	.....
Mr. Wamp	X	.....	Ms. Baldwin	X	.....	.....
Mr. Green	X	.....			
Mr. Fletcher	X	.....			

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Miller	X	.....			
Mr. Ryan	X	.....			
Mr. Toomey	X	.....			

Mr. Minge offered an amendment to require the Chairman of the House Budget Committee, in advising the presiding officer on the cost of proposed legislation, to rely exclusively on estimates prepared by the Congressional Budget Office or the Joint Tax Committee, in a form certified by that agency to be consistent with its own economic and technical estimates unless the estimates are approved by the Committee on the Budget by recorded vote.

The amendment offered by Mr. Minge was not agreed to by a show of hands.

Mr. Weygand offered an amendment to increase budget authority by \$0 in fiscal year 2001 and by \$5.1 billion over five years, and to increase outlays by \$0 in fiscal year 2001 and by \$5.1 billion over five years in Function 570 to reflect revisions in the Medicare payment system for home health care agencies. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment was not agreed to by 17 ayes and 23 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X	.....	Mr. Spratt, Ranking	X	.....	.....
Mr. Chambliss	X	.....	Mr. McDermott .....	.....	.....	.....
Mr. Shays	X	.....	Ms. Rivers	X	.....	.....
Mr. Herger	X	.....	Mr. Thompson	X	.....	.....
Mr. Franks	X	.....	Mr. Minge	X	.....	.....
Mr. Smith	X	.....	Mr. Bentsen	X	.....	.....
Mr. Nussle	X	.....	Mr. Davis	X	.....	.....
Mr. Hoekstra	X	.....	Mr. Weygand	X	.....	.....
Mr. Radanovich	Mrs. Clayton	X	.....	.....
Mr. Bass	X	.....	Mr. Price	X	.....	.....
Mr. Gutknecht	X	.....	Mr. Markey .....	.....	.....	.....
Mr. Hilleary	X	.....	Mr. Kleczka	X	.....	.....
Mr. Sununu	X	.....	Mr. Clement	X	.....	.....
Mr. Pitts	X	.....	Mr. Moran	X	.....	.....
Mr. Knollenberg	X	.....	Mr. Hoolley	X	.....	.....
Mr. Thornberry	X	.....	Mr. Lucas	X	.....	.....
Mr. Ryan	X	.....	Mr. Holt	X	.....	.....
Mr. Collins	X	.....	Mr. Hoeffel	X	.....	.....
Mr. Wamp	X	.....	Ms. Baldwin	X	.....	.....
Mr. Green	X	.....			
Mr. Fletcher	X	.....			
Mr. Miller	X	.....			
Mr. Ryan	X	.....			
Mr. Toomey	X	.....			

Mr. Moran offered an amendment to reserve within the reduction of revenues an amount to reflect the immediate participation of Federal employees in the Thrift Savings Plan. It further provided for a sense of Congress that the pay increase for Federal workers should be no less than a 3.7 percent increase in pay for Federal employees.

The amendment offered by Mr. Moran as revised by unanimous consent was agreed to by voice vote.

Mr. Thompson offered an amendment to express the sense of Congress that the provisions of the budget resolution assume that

the Congress should modify the Federal tax law to include Individual Development Accounts in order to encourage low-income workers and their families to save for buying a first home, starting a business, obtaining an education, or taking other measures to prepare for the future.

The amendment offered by Mr. Thompson was agreed to by voice vote.

Mr. Bentsen offered an amendment to increase budget authority by \$900 million in fiscal year 2001 and by \$10.2 billion over five years, and to increase outlays by \$900 million in fiscal year 2001 and by \$10.2 billion over five years in Function 550 and 570 to reflect a freeze in Medicaid disproportionate share hospital allotments at fiscal year 2000 level and a repeal of the Medicare PPS-hospital market basket reductions for fiscal years 2001 and 2002. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Bentsen was not agreed to by voice vote.

Mr. Bentsen offered an amendment expressing the sense of the Congress that many school-based health programs provide a broad range of services covered by Medicaid, affording access to care for children who otherwise might well go without needed services. School-based programs can also play a powerful role in identifying and enrolling children who are eligible for Medicaid, as well as the State Children's Health Insurance Programs. Further, the amendment expressed the sense of Congress that undue administrative burdens may be placed on school districts and states and that the Health Care Financing Administration should substantially revise or abandon current guidelines.

The amendment offered by Mr. Bentsen was agreed to by voice vote.

Mrs. Clayton offered an amendment to increase budget authority by \$1.4 billion in fiscal year 2001 and by \$8.4 billion over five years, and to increase outlays by \$600 million in fiscal year 2001 and by \$7.3 billion over five years in Function 350 to reflect an increase in funding for income assistance for farmers. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment was not agreed to by voice vote.

Mr. Clement offered an amendment to express the sense of the Congress that a biennial budgeting process should be enacted in the second session of the 106th Congress.

The amendment offered by Mr. Clement as amended by a second degree perfecting amendment offered by Mr. Nussle was agreed to by voice vote.

Mr. Nussle offered a second degree perfecting amendment to the amendment offered by Mr. Clement to modify the language to express the sense of Congress that there are a wide range of views on a biennial budgeting process reform and that it should be considered only within the context of comprehensive budget process reform.

The second degree perfecting amendment offered by Mr. Nussle was agreed to by voice vote.

Ms. Hooley offered language related to funding levels for Pacific Northwest salmon recovery and the efficient use of funds directed to local communities and salmon restoration organizations.

The language offered by Ms. Hooley was accepted.

Mr. Minge offered an amendment expressing the sense of Congress that Medicare + Choice regional disparity among reimbursement rates are unfair; and that full funding of the Medicare + Choice program is a priority before financing new programs and benefits that may potentially add to the imbalance of the payments and benefits in the Fee-for-Service Medicare and Medicare + Choice.

The amendment offered by Mr. Minge as amended by a second degree perfecting amendment offered by Mr. Ryan was agreed to by voice vote.

Mr. Ryan offered a second degree perfecting amendment to modify the language offered as an amendment by Mr. Minge expressing the sense of Congress that Medicare + Choice regional disparity among reimbursement rates are unfair; and that full funding of the Medicare + Choice program is a priority as Congress deals with any Medicare reform legislation.

The second degree perfecting amendment offered by Mr. Ryan to the amendment offered by Mr. Minge was agreed to by voice vote.

Mr. Bentsen offered language stating it is the assumption of the budget resolution that the funding for the U.S. Army Corps of Engineers for general construction, for general operation and maintenance, and for operating and maintaining the St. Lawrence Seaway will come from the general fund and the receipts of the Harbor Maintenance Excise Tax and not from the Proposed Harbor Services Fee in the President's budget submission.

The language offered by Mr. Bentsen was agreed by voice vote.

Mr. Markey offered an amendment to increase budget authority by \$10 billion in fiscal year 2001 and by \$101 billion over five years, and to increase outlays by \$10 billion in fiscal year 2001 and by \$101 billion over five years in Function 550 to reflect an increase in funding for long term care improvement. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount. Within the tax cuts, the amendment would reserve \$128 million in fiscal year 2001 and \$9.7 billion over five years to reflect the assumption of a tax credit for long-term care as proposed in the President's Budget Submission.

The amendment offered by Mr. Markey was withdrawn.

Mr. Minge offered an amendment to increase budget authority by \$256 million in fiscal year 2001 and by \$1.2 billion over five years, and to increase outlays by \$130 million in fiscal year 2001 and by \$1.1 billion over five years in Function 270 to reflect increased development of solar power, renewable resources, fossil energy efficiency, and energy conservation programs. In addition, the aggregate level of revenues included in the Chairman's Mark would be increased by an equal amount.

The amendment offered by Mr. Minge was not agreed to by a voice vote.

Mr. Minge offered an amendment prohibiting to the consideration of legislation reducing revenues for fiscal years 2001 through 2005 unless the Director of the Congressional Budget Office cer-

tified a portion of the on-budget surplus is reserved for debt retirement and that legislation has been enacted establishing points of order to prevent amounts reserved for debt retirement to be used for other purposes.

The amendment offered by Mr. Minge was not agreed to by a voice vote.

Mr. Minge offered an amendment expressing the sense of Congress that the Committee on the Budget should be directed to develop a definition of a process for funding emergencies consistent with the Comprehensive Budget Process Reform Act of 1999 and to present its proposal to the House of Representatives as a change in the rules of the House of Representatives.

Mr. Minge withdrew his amendment.

Mr. Nussle and Mr. Minge offered an amendment expressing the sense of the Congress that the Committee on the Budget be directed to develop a definition of emergencies consistent with the Comprehensive Budget Process Reform Act of 1999 and be considered within the context of comprehensive budget process reform.

The amendment was agreed to by voice vote.

Mr. Minge offered an amendment expressing the sense of Congress that Medicare rates fail to cover the costs of providing quality care in skilled nursing facilities despite the efforts of Congress to restore funding for beneficiaries last year. In addition, the amendment expressed concern over the harm caused by deep cuts in Medicare and the underfunded Medicaid program for the recruitment of health care professionals into seniors health care.

The amendment offered by Mr. Minge as modified by his unanimous consent request was agreed to by voice vote.

Mr. Minge requested unanimous consent to revise his amendment to reflect language expressing the sense of the Congress that the Medicare Payment Advisory Commission continue to carefully monitor the skilled nursing benefit to determine if payment rates are sufficient to provide quality care and that Congress should pass legislation to assure quality skilled nursing care.

There was no objection to the unanimous consent request.

Mr. Chambliss made a motion that the Committee adopt the aggregates, function totals, and other relevant items as the Concurrent Resolution on the Budget for Fiscal year 2001.

The motion offered by Mr. Chambliss was agreed to by voice vote.

Mr. Chambliss made a motion that the Committee report the Concurrent Resolution with a favorable recommendation and that the Concurrent Resolution pass. The motion offered by Mr. Chambliss was agreed to by a roll call vote of 23 ayes and 18 noes.

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Kasich, Chairman	X	.....	.....	Mr. Spratt, Ranking .....	.....	X	.....
Mr. Chambliss	X	.....	.....	Mr. McDermott .....	.....	X	.....
Mr. Shays	X	.....	.....	Ms. Rivers .....	.....	X	.....
Mr. Herger	X	.....	.....	Mr. Thompson .....	.....	.....	.....
Mr. Franks	X	.....	.....	Mr. Minge .....	.....	X	.....
Mr. Smith	X	.....	.....	Mr. Bentsen .....	.....	X	.....
Mr. Nussle	X	.....	.....	Mr. Davis .....	.....	X	.....
Mr. Hoekstra	X	.....	.....	Mr. Weygand .....	.....	X	.....
Mr. Radanovich	X	.....	.....	Mrs. Clayton .....	.....	X	.....
Mr. Bass	X	.....	.....	Mr. Price .....	.....	X	.....

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. Gutknecht	X	.....	.....	Mr. Markey .....	.....	X	.....
Mr. Hilleary	X	.....	.....	Mr. Kleczka .....	.....	X	.....
Mr. Sununu	X	.....	.....	Mr. Clement .....	.....	X	.....
Mr. Pitts	X	.....	.....	Mr. Moran .....	.....	.....	.....
Mr. Knollenberg	X	.....	.....	Mr. Hooley .....	.....	.....	.....
Mr. Thornberry	X	.....	.....	Mr. Lucas .....	.....	X	.....
Mr. Ryun	X	.....	.....	Mr. Holt .....	.....	X	.....
Mr. Collins .....	.....	X	.....	Mr. Hoeffel .....	.....	X	.....
Mr. Wamp	X	.....	.....	Ms. Baldwin .....	.....	X	.....
Mr. Green	X	.....	.....		
Mr. Fletcher	X	.....	.....		
Mr. Miller	X	.....	.....		
Mr. Ryan	X	.....	.....		
Mr. Toomey	X	.....	.....		

Mr. Chambliss asked for unanimous consent that the Chairman be authorized to make a motion to go to conference pursuant to clause 1 of House Rule XXII, the staff be authorized to make any necessary technical and conforming corrections in the resolution, and any committee amendments, and calculate any remaining elements required in the resolution, prior to filing the resolution, and the motion to reconsider be laid upon the table.

There was no objection to the unanimous consent request.

OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM

Clause 3(c)(4) of rule XIII requires each committee report to contain a summary of oversight findings and recommendations made by the Committee on Government Reform pursuant to clause 4(c)(2) of rule X, whenever such findings have been timely submitted. The committee on the Budget has received no such findings or recommendations from the Committee on Government Reform.

MISCELLANEOUS BUDGETARY INFORMATION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives provides that Committee reports shall contain the statement required by Section 308(a)(1) of the Congressional Budget Act of 1974. This report does not contain such a statement because as a concurrent resolution setting forth a blueprint for the Congressional budget. The budget resolution does not provide new budget authority or new entitlement authority or change revenues.

ESTABLISHMENT OF STATUTORY LIMIT ON THE PUBLIC DEBT

Clause 3 of rule XXIII requires the report of the Committee on the Budget of the House accompanying any Concurrent Resolution on the Budget to include a clear statement about the effect of the adoption of the concurrent resolution upon the statutory limit on the debt. House rule XXIII provides for the automatic engrossment of a bill raising the statutory limit when the conference report on the Concurrent Resolution on the Budget passes.

The adoption of this budget resolution will have no effect on the statutory limit on the debt if, as expected, the rule providing for the consideration of the Concurrent Resolution on the Budget for fiscal year 2001 waives the applicability of House Rule XXIII.

House Resolution 152 waived the applicability of this rule (which was designated as House Rule XLIX in the 105th Congress) during the consideration of House Concurrent Resolution 284, the Concurrent Resolution on the Budget for fiscal year 1999.

According to the Views and Estimates submitted by the Committee on Ways and Means, the current statutory public debt limit of \$5.95 trillion will not be reached until sometime beyond fiscal year 2009.

VIEWS OF COMMITTEE MEMBERS

Clause 2(1) of rule XI requires each committee to afford a 2-day opportunity for members of the committee to file additional, minority, or dissenting views and to include the view in its report. The following views were submitted:

MINORITY VIEWS OF REPRESENTATIVES JOHN SPRATT, JIM McDERMOTT, LYNN RIVERS, BENNIE THOMPSON, DAVID MINGE, KEN BENTSEN, JIM DAVIS, ROBERT WEYGAND, EVA CLAYTON, DAVID PRICE, EDWARD MARKEY, GERALD KLECZKA, BOB CLEMENT, JAMES MORAN, DARLENE HOOLEY, RUSH HOLT, JOSEPH HOEFFEL, AND TAMMY BALDWIN

As you read the Republicans' budget resolution, you quickly realize that it looks very similar to their 1998 budget plan, when no concurrent budget resolution was adopted, and their 1999 budget, when a resolution was adopted but honored in the breach. To make room for a large tax cut, this year's resolution proposes cuts in spending much like those proposed last year. Yet last year, when all 13 appropriation bills first passed the House, they were \$30.1 billion above the budget resolution in the first year alone. When the final appropriation bill passed Congress on November 29, two months into the fiscal year, appropriated spending overran the budget resolution by \$34.8 billion.

Republicans have yet to explain how Congress will pass the cuts they assume in their budget plan this year when Congress could not pass them last year or the year before. The definition of folly is to repeat what has failed and expect it to succeed, and that is just what this resolution does. It assumes that Congress will cut nondefense spending by \$7 billion below this year's level and by \$20 billion below the level needed to keep even with inflation, and then keep its foot on the brake for four more years, eventually taking nondefense spending \$114 billion below the level of current purchasing power.

Repeating the call for implausible program cuts wouldn't be so bad if it weren't for the fact that the resolution already spends some of the Social Security surplus even assuming that Congress adopts the large program cuts. The resolution's \$200 billion, five-year tax cut plus the other claims for the non-Social Security surplus overwhelm the \$114 billion reduction in the purchasing power of domestic appropriations. As a result, under their resolution, the non-Social Security surplus is virtually gone by 2003, and by 2004, the government begins spending the Social Security surplus.

TABLE 1.—REPUBLICANS USE UP THE ENTIRE SURPLUS—AND MORE
[All figures exclude the Social Security surplus; plus signs indicate costs; dollars in billions]

	2000	2001	2002	2003	2004	2005	Five years	Ten years ³
CBO Surplus w/o Social Security	27	15	29	36	42	48	171	893
Tax cuts		10	22	31	42	45	150	750
Non-defense cuts ⁴	12	-16	-13	-21	-29	-36	-114	-363
All other costs including interest	6	4	5	6	6	7	28	107
Surplus claimed by Republicans	8	17	16	20	22	32	107	398
Reserve ² for \$50 billion additional tax cuts		0	8	11	15	16	50	250

TABLE 1.—REPUBLICANS USE UP THE ENTIRE SURPLUS—AND MORE—Continued
 [All figures exclude the Social Security surplus; plus signs indicate costs; dollars in billions]

	2000	2001	2002	2003	2004	2005	Five years	Ten years ³
Reserve ² for Medicare “reform” and prescription drugs		2	4	7	12	16	40	155
Interest cost of reserves		(¹)	(¹)	1	3	4	9	77
Surplus or Deficit (–) when reserves are used ...	8	15	4	a	–7	–4	8	–84

¹ = less than \$½ billion.

²These “reserves” are available whenever Ways & Means or Commerce wishes to use them; they are not contingent upon improvements in the economy. The Resolution specifies only the first-year and five-year cost of the reserves; figures in 2002–2005 are interpolated by Democratic staff. [In addition, the Budget Resolution contains further language allowing still greater tax cuts if the economy performs better than CBO expects.]

³Extrapolations for the second five years made by the Democratic staff.

⁴Republican “non-defense” figures actually include the 2000 supplemental (both defense and non-defense) as well as \$9 billion from the repeal of previously enacted timing shifts.

Totals represent either outlays or revenues and may not add due to rounding.

If the nondefense spending cuts aren’t achieved, as has been the case in the past, the resolution invades the Social Security surplus even sooner and more deeply. This means that Social Security revenues again would be used to fund other government activities. It also means that the publicly held debt would be reduced by less than if the Social Security surplus were merely saved.

TABLE 2.—THE REPUBLICAN BUDGET PLAN WITHOUT DOMESTIC DISCRETIONARY CUTS
 [All figures exclude the Social Security surplus; plus signs indicate costs; dollars in billions]

	2000	2001	2002	2003	2004	2005	Five years	Ten years ¹
CBO Surplus w/o Social Security	27	15	29	36	42	48	171	893
Tax cuts		10	30	42	57	61	200	1,000
Non-defense cuts ²	12	–9					–9	–9
Defense adds		3	2	2	3	2	12	23
Medicare “reform” & drugs		2	4	7	12	16	40	155
Medicaid/CHIP access & benefits		(³)	(³)	(³)	(³)	(³)	1	2
Farm adds	6	1	1	2	2	2	7	18
Extend expiring Customs fee					–1	–2	–3	–13
Interest costs	(³)	1	3	5	9	13	31	234
Republican “Surplus”	8	8	–10	–22	–39	–45	–107	–517

May not add due to rounding.

¹Extrapolations for the second five years made by the Democratic staff.

²Republican “non-defense” figures actually include the 2000 supplemental (both defense and non-defense) as well as \$9 billion from the repeal of previously enacted timing shifts.

³ = less than \$½ billion.

The resolution spends the Social Security surplus because its tax cut trumps all other budget priorities. Democrats are strongly committed to middle-class tax cuts. On the House floor, Democrats will offer an alternative budget with more than enough tax relief to cover the cost of mitigating the marriage penalty, correcting the alternative minimum tax (AMT) so that it does not harm middle-income families, lowering estate taxes on small business and family farms, supporting education, providing tax relief for working families with children, encouraging retirement savings, and fostering investment in our communities. And additional funds for more tax relief are still available. But we believe that the surpluses projected for the next few years should also be used for make Social Security and Medicare solvent for the long-run.

Unfortunately, the Republican budget resolution shuts a window of opportunity. The resolution does nothing to extend the solvency of Social Security or Medicare by even a single day. As noted

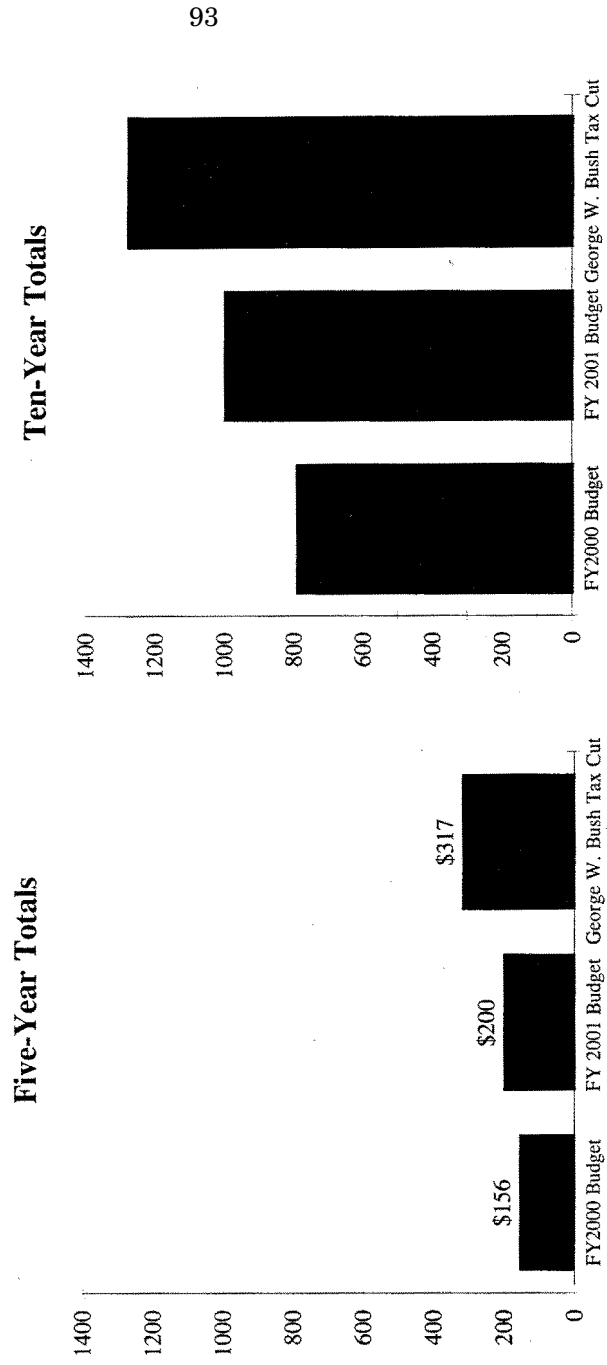
above, implementation of the resolution also means that the government will repay less publicly held debt. Repaying more debt helps to bolster the government's finances in anticipation of the fiscal challenges posed by the impending retirement of the Baby Boom generation. Finally, the resolution invades the Social Security surplus, which both Republicans and Democrats have pledged to protect.

The fact that the Republicans' tax cut jeopardizes both the Social Security surplus and priority domestic programs that Americans support is highlighted by looking just beyond the five-year horizon of this year's resolution. Tax cuts tend to grow over time. Last year's tax cut, which failed because it was perceived as fiscally irresponsible, cost \$156 billion over five years. However, the cost ballooned to \$792 billion over ten years and would have reached \$869 billion over ten years if the bill had not "sunset" most of its tax cuts in the ninth year. This year's tax cuts cost \$200 billion over five years. (See Graph 1.)

Republicans acknowledged in markup that in the past, Republicans had used a ten-year portrayal of their tax cut to make it seem larger. This year, they portray their tax cut over five years to make it look smaller. But a tax cut of \$200 billion over five years could still easily cost \$1 trillion over ten years. This means that between 2006 and 2010, when the fiscal pressures faced by Social Security and Medicare will be fast approaching, the growing tax cut would force progressively more severe cuts in appropriations, a bigger on-budget deficit, or both. Before we vote for tax cuts of this magnitude, we must make sure that there is money set aside to bolster Social Security and Medicare.

Republicans themselves may have begun to recognize these problems with their plan. During the markup, Democrats offered as an amendment the tax cut proposed by the Republicans' presumptive presidential nominee, Governor George W. Bush. The Bush tax cut has an even larger price tag than the resolution's tax cut, costing \$483 billion over five years and at least \$1.3 trillion over ten years. (See Graph 1.) Republicans used a parliamentary maneuver to avoid voting for the Bush tax cut.

Graph 1
Cost of Republican Tax Cuts

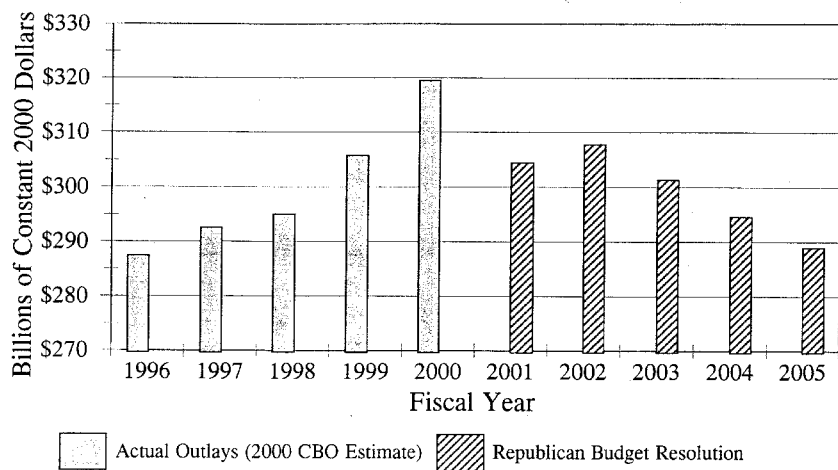


The Republican budget plan uses gimmicks to try to cloak the effects of their plan. Republicans double count their “reserves,” promising the same money simultaneously for debt reduction, for tax cuts, and for the costs of Medicare “reform.” And the biggest gimmick of all is premising the entire structure on putative future spending cuts that are just not realistic. Republicans’ own history illustrates why.

Over the past five years, a Republican-controlled Congress has increased nondefense discretionary spending each year at an average rate of 2.5 percent faster than inflation, as Graph 2 shows. Graph 2 also depicts what this resolution assumes: a full reversal on spending. The resolution assumes that such unprecedented cuts would continue indefinitely even without new spending caps or enforcement mechanisms. Without acknowledging it, this resolution dispenses with the spending caps set by the Balanced Budget Act of 1997. The President’s budget resets the caps roughly at the rate of inflation. This resolution does not set new caps and proposes no budget enforcement procedures to enforce their totally unrealistic cuts in domestic appropriations.

Graph 2

Outlays for Domestic Appropriations
Past vs. Future



This resolution is skating, therefore, on thin ice. If nondefense spending cannot be held \$114 billion below inflation for the next five years, the budget will slide further into deficit. How feasible is it to cut the purchasing power of nondefense discretionary spending by \$114 billion below inflation for the next five years, the budget will slide further into deficit. How feasible is it to cut the purchasing power of nondefense discretionary spending by \$114 billion? Let's look at a few functions in this resolution to see what it entails.

- **Function 450, Community and Regional Development:** This function funds the Community Development Block Grant, the Economic Development Agency. These programs have stood the test of time. Efforts to cut the CDBG or eliminate EDA have failed in committee and on the floor. Despite this fact, resolution proposes that this function be cut from \$11.4 billion in 2000 to \$9.1 billion in 2001 and taken on down to \$8.5 billion in years 2002 through 2005. If the resolution does not cut programs like CDBG and EDA, then it leaves only one alternative: the resolution implausibly assumes that over the next five years, the nation will experience no hurricanes, floods, tornadoes, or earthquakes requiring federal assistance.

- **Function 600, Income Security:** This function funds, among other things: Women, Infants and Children's nutrition program (WIC); Low Income Home Energy Assistance Program (LIHEAP); the Child Care Block Grant; and Section 8 housing. In other words, this function funds programs for the most vulnerable in our society. By 2005, it is cut by 19.1 percent in real terms.

- **Function 500, Education and Social Services:** Republicans tout their commitment to education but when it comes to putting their treasure where they claim their heart is, they provide barely more than a freeze for this function and \$20 billion left that the President over five years. The Republicans state that they target virtually all their increase to special education, leaving only a five-year freeze for Title I, all higher education, social services, and job training programs. By 2005, the Republican plan cuts purchasing power by 8.5 percent for important programs such as Head Start and Pell Grants.

- **Function 750, Administration of Justice:** This function funds federal law enforcement activities for the FBI, the Drug Enforcement Agency (DEA), the Customs Service and the Immigration and Naturalization Service. For 2001, the House Republican budget plan provides \$26.9 billion, which represents a \$700 million cut in purchasing power. By 2005, the Republicans cut purchasing power for law enforcement funding by \$2.9 billion or 9 percent.

- **Function 150, International Affairs:** This function funds foreign operations. It's a popular whipping boy, easy to cut because it has no strong constituency, and Republicans cut it deeply, from \$22.3 billion in 2000 to \$19.7 billion in 2001 and then to \$18.3 billion. It is true that Wye River and UN arrears are non-recurring, but the Republican plan still cuts this function by \$11.9 billion over five years even excluding these non recurring costs. The truth is that there are still serious needs like embassy security that have to be funded. Cuts this deep were proposed last year, and did not prevail. It is hard to believe that they will prevail this year.

How deep will the cuts have to be in the FBI or the DEA due to the reduction in Function 750, or in WIC or LIHEAP due to the reduction in Function 600? The resolution does not provide the details. But just before markup, the committee received the following letter from the President's Chief of Staff warning of specific cuts in critical accounts:

THE WHITE HOUSE,
Washington, March 14, 2000.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express the Administration's deep concern that the majority in Congress is poised, once again, to propose a budget based on irresponsible tax cuts that would require deep reductions in key priorities, would jeopardize our ability to strengthen Social Security and Medicare, and would undermine our ability to pay off the debt by 2013.

The budget resolution you outlined last week proposed large and costly tax cuts based on the assumption that essential funding for domestic priorities—including health care, the environment, science and technology, and law enforcement—will be slashed by \$24 billion, the equivalent of a 10 percent across-the-board cut in these priorities. A 10 percent cut would have severe consequences:

- In law enforcement programs—FBI reduced by 1,100 FBI agents and Drug Enforcement Agency reduced by 900 agents;
- More than 2000 air traffic controllers cut, forcing delays and reductions of air carrier operations at U.S. airports by 1.5 million flights (67 million passenger trips);
- EPA Superfund forced to eliminate funding for 25 ongoing federally led cleanups and all 15 new federally-led cleanups;
- National Science Foundation funded research, which supports our high-tech future, would be denied to more than 15,000 fewer researchers, educators and students; and
- 750,000 fewer low-income women, infants, and children would receive nutritional benefits from WIC.

Judging by the actions of Congress last year, it seems unlikely that these deep spending cuts would actually materialize. Therefore, your insistence on such a damaging and unrealistic budget would only increase the risk of dipping into the Social Security surplus and make it virtually impossible to strengthen Social Security and Medicare, and pay off the debt by 2013.

As the President has pointed out, the tax cuts you have already passed would use more than \$443 billion of the surplus over the next decade—this is more than half of the non-Social Security surplus—before a single penny has been devoted to extending the life of Social Security and Medicare, adding a voluntary prescription drug benefit, or investing in education for our children. To make matters worse, Speaker Hastert and the Republican leadership have made it clear that this is only the beginning—that your proposals will be at least as costly and irresponsible as the risky \$792 billion tax cut that the President vetoed last year. Let me be clear—the budget that you have outlined is the wrong approach for America.

The President's budget takes a responsible and balanced approach. It not only protects the Social Security surplus for debt reduction, but also ensures that the interest savings from this debt reduction are used to extend the life of Social Security to at least 2050. In contrast, last year, Republicans in Congress proposed a so-called "lockbox" that failed to add a single day to the life of Social Security. I urge you to join us this year in making the simple, bipartisan commitment to use the benefits of debt reduction to extend the life of Social Security.

Our budget devotes more than half of the non-Social Security surplus to strengthening and modernizing Medicare, extending its life for a decade to 2025 and adding a badly needed prescription drug benefit. If the tax cuts you have already passed became law, we would not be able to afford these much-needed measures to strengthen and modernize Medicare. I urge you to join us in protecting a substantial portion of the surplus for Medicare.

Our budget builds on our record of fiscal discipline to pay off the debt by 2013. I know you have expressed your strong support for debt reduction. I urge you to produce a realistic budget that will actually result in paying off the debt over the next thirteen years.

And in the context of this budget based on fiscal discipline, the President has proposed substantial investments in key priorities like education and expanding health insurance coverage along with targeted tax relief to help reward work, make college more affordable, and lessen the costs of long-term health care. This is tax relief that will make a difference for working families. It is the kind of tax relief that Congress should consider this year.

We now have an historic opportunity. The economy is strong, the budget is balanced, and we have the chance to start down a path of real progress on Social Security, Medicare, and paying down the debt. Let's make the most of this moment by meeting the challenges of the future and working together for the American people.

Sincerely,

JOHN PODESTA, *Chief of Staff to the President.*

It seems doubtful that the House will approve these cuts this year, and even if it did, that it could sustain them for years on end. Here is what is likely to happen instead. Congress will undo some of the gimmicks employed last year. For example, the shift of a pay date from September into October will be shifted back into September since the surplus for this year, 2000, is larger than estimated last July; in fact, the Republican plan already acknowledges this will happen. Then the Appropriations Committee will turn to the same timing shifts, advance appropriations, and deferred obligations as last year, shifting as much 2001 spending as possible into 2002. It will be *deja vu* all over again.

The surpluses on our horizon offer an extraordinary opportunity. They allow us to make Social Security and Medicare sound and solvent for future generations. They mean we can close a gaping hole in Medicare coverage and provide a prescription drug benefit. They make it possible for us to do more for education at all levels. They allow us to give the American people tax relief, and to pay down our large public debt. Unfortunately, this resolution squanders this opportunity and jeopardizes the progress we have made in eliminating annual deficits and paying down public debt. This resolution

also passes up the opportunity to put Social Security, Medicare, and the nation as a whole on sound fiscal footing.

JOHN M. SPRATT, Jr.
JIM McDERMOTT.
BENNIE G. THOMPSON.
DAVID MINGE.
JIM DAVIS.
BOB WEYGAND.
EVA M. CLAYTON.
DAVID PRICE.
ED MARKEY.
JERRY KLECZKA.
BOB CLEMENT.
JIM MORAN.
DARLENE HOOLEY.
RUSH HOLT.
JOE HOEFFEL.
TAMMY BALDWIN.
LYNN N. RIVERS.
KEN BENTSEN.

ADDITIONAL VIEWS OF CONGRESSMAN KENNETH E.
BENTSEN, JR.

On March 15, 2000, the House Budget Committee met to mark-up the Fiscal Year 2001 budget. Although a number of amendments I cosponsored were adopted in the Republican Budget Resolution, I ultimately voted against the Resolution because it is fiscally unsound.

I offered a number of substantive amendments to dramatically improve the overall Budget Resolution. For instance, I offered an amendment to provide the third installment toward doubling funding for the National Institutes of Health by 2003 relative to the 1998 level. NIH is the world's leading biomedical research institution and NIH-supported scientists have made significant contributions toward improving the health of Americans. For this reason, there is broad bipartisan support for doubling NIH spending. Unfortunately, the Budget Resolution only provides for a 5.6% increase over the 2000 level; nowhere near the 15% increase that is necessary to keep NIH spending on track.

A second amendment that I cosponsored provided for presumptive eligibility for children in Medicaid and S-CHIP, Medicaid coverage for women diagnosed with breast or cervical cancer by the CDC, and a Medicare buy-in program. The presumptive eligibility provision was drawn from a bill I introduced, H.R. 1298, the Medicaid Child Eligibility Improvement Act of 1999. While I am pleased that the Committee adopted our amendment's presumptive eligibility plank with respect to children and women with breast and cervical cancer, I could not support the funding mechanism of my Republican colleagues. It robs Peter to pay Paul. The Budget Resolution offsets these costs by cutting spending in Function 550, thereby requiring cuts to programs such as NIH as well as regional and community health centers.

I also offered another amendment which unfortunately was not adopted. My amendment would freeze the State Medicaid disproportionate share hospital allotments at the Fiscal Year 2000 level and repeals the Medicare PPS-hospital market based reductions for Fiscal Years 2001 and 2002.

Since passage of the Balanced Budget Act (BBA) of 1997, Medicare spending is projected to have been reduced by more than \$226 billion—nearly \$123 billion more than Congress intended. The Congressional Budget Office's latest projections show reductions to the Medicare program that are more than four times the \$15 billion Congress added as part of the Balanced Budget Refinement Act (BBRA) of 1999.

The BBA also prescribed \$10.4 billion cuts to the Medicaid disproportionate share hospital (DSH) program over five years. Since then, health care providers have been struggling. Although the Balanced Budget Refinement Act of 1999 (BBRA) partially improved payments for DSH hospitals, there is still cause for alarm as further DSH reductions loom. In Texas, the Federal government still must reduce Medicaid DSH allotments from \$806 million in 2000 to \$765 million for 2001 and 2002. Just this past weekend, I learned that approximately 200 employees are being laid off at the University of Texas Medical School in Houston because of a pro-

jected \$20 million shortfall. At a time when over 44 million Americans have no health insurance, I am concerned about these cuts to our nation's "safety net" hospitals.

The unanticipated effect of the BBA on Medicare baseline and the reduction in DSH allotments will cause continued erosion of the foundation of our nation's hospitals and the long term viability of our health care system. This amendment provided my Republican colleagues with the opportunity to address this crisis, but it was rebuffed. While unfortunate, it is apparent that the Republicans will not care about this issue until our hospitals are on life support.

KEN BENTSEN.

A P P E N D I X

H. Con. Res. 290

A concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2001, revising the congressional budget for the United States Government for fiscal year 2000, and setting forth appropriate budgetary levels for each of fiscal years 2002 through 2005.

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2001.

The Congress declares that the concurrent resolution on the budget for fiscal year 2000 is hereby revised and replaced and that this is the concurrent resolution on the budget for fiscal year 2001 and that the appropriate budgetary levels for fiscal years 2002 through 2005 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2000 through 2005:

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

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

Fiscal year 2000: \$1,465,500,000,000.
Fiscal year 2001: \$1,504,800,000,000.
Fiscal year 2002: \$1,549,400,000,000.
Fiscal year 2003: \$1,598,500,000,000.
Fiscal year 2004: \$1,650,600,000,000.
Fiscal year 2005: \$1,719,100,000,000.

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

Fiscal year 2000: \$0.
Fiscal year 2001: \$10,000,000,000.
Fiscal year 2002: \$22,000,000,000.
Fiscal year 2003: \$31,000,000,000.
Fiscal year 2004: \$42,000,000,000.
Fiscal year 2005: \$45,000,000,000.

(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 2000: \$1,478,300,000,000.
Fiscal year 2001: \$1,524,100,000,000.
Fiscal year 2002: \$1,558,000,000,000.
Fiscal year 2003: \$1,604,300,000,000.

Fiscal year 2004: \$1,654,800,000,000.

Fiscal year 2005: \$1,713,500,000,000.

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

Fiscal year 2000: \$1,460,500,000,000.

Fiscal year 2001: \$1,490,700,000,000.

Fiscal year 2002: \$1,537,000,000,000.

Fiscal year 2003: \$1,582,200,000,000.

Fiscal year 2004: \$1,631,900,000,000.

Fiscal year 2005: \$1,690,500,000,000.

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

Fiscal year 2000: \$5,000,000,000.

Fiscal year 2001: \$14,100,000,000.

Fiscal year 2002: \$12,400,000,000.

Fiscal year 2003: \$16,300,000,000.

Fiscal year 2004: \$18,700,000,000.

Fiscal year 2005: \$28,600,000,000.

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

Fiscal year 2000: \$5,640,300,000,000.

Fiscal year 2001: \$5,710,600,000,000.

Fiscal year 2002: \$5,787,400,000,000.

Fiscal year 2003: \$5,870,300,000,000.

Fiscal year 2004: \$5,946,100,000,000.

Fiscal year 2005: \$6,010,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and budget outlays for fiscal years 2000 through 2005 for each major functional category are:

(1) National Defense (050):

Fiscal year 2000:

(A) New budget authority, \$288,900,000,000.

(B) Outlays, \$282,500,000,000.

Fiscal year 2001:

(A) New budget authority, \$306,300,000,000.

(B) Outlays, \$297,600,000,000.

Fiscal year 2002:

(A) New budget authority, \$309,300,000,000.

(B) Outlays, \$302,000,000,000.

Fiscal year 2003:

(A) New budget authority, \$315,600,000,000.

(B) Outlays, \$309,400,000,000.

Fiscal year 2004:

(A) New budget authority, \$323,400,000,000.

(B) Outlays, \$317,600,000,000.

Fiscal year 2005:

(A) New budget authority, \$331,700,000,000.

(B) Outlays, \$328,100,000,000.

(2) International Affairs (150):

Fiscal year 2000:

(A) New budget authority, \$20,100,000,000.

(B) Outlays, \$15,500,000,000.

- Fiscal year 2001:
(A) New budget authority, \$19,500,000,000.
(B) Outlays, \$17,300,000,000.
- Fiscal year 2002:
(A) New budget authority, \$19,300,000,000.
(B) Outlays, \$17,200,000,000.
- Fiscal year 2003:
(A) New budget authority, \$18,800,000,000.
(B) Outlays, \$16,100,000,000.
- Fiscal year 2004:
(A) New budget authority, \$18,300,000,000.
(B) Outlays, \$15,200,000,000.
- Fiscal year 2005:
(A) New budget authority, \$18,500,000,000.
(B) Outlays, \$14,800,000,000.
- (3) General Science, Space, and Technology (250):
Fiscal year 2000:
(A) New budget authority, \$19,300,000,000.
(B) Outlays, \$18,500,000,000.
- Fiscal year 2001:
(A) New budget authority, \$19,800,000,000.
(B) Outlays, \$19,300,000,000.
- Fiscal year 2002:
(A) New budget authority, \$19,900,000,000.
(B) Outlays, \$19,600,000,000.
- Fiscal year 2003:
(A) New budget authority, \$20,000,000,000.
(B) Outlays, \$19,600,000,000.
- Fiscal year 2004:
(A) New budget authority, \$20,100,000,000.
(B) Outlays, \$19,600,000,000.
- Fiscal year 2005:
(A) New budget authority, \$20,300,000,000.
(B) Outlays, \$19,800,000,000.
- (4) Energy (270):
Fiscal year 2000:
(A) New budget authority, \$1,100,000,000.
(B) Outlays, -\$600,000,000.
- Fiscal year 2001:
(A) New budget authority, \$1,200,000,000.
(B) Outlays, -\$100,000,000.
- Fiscal year 2002:
(A) New budget authority, \$700,000,000.
(B) Outlays, -\$400,000,000.
- Fiscal year 2003:
(A) New budget authority, \$500,000,000.
(B) Outlays, -\$700,000,000.
- Fiscal year 2004:
(A) New budget authority, \$400,000,000.
(B) Outlays, -\$900,000,000.
- Fiscal year 2005:
(A) New budget authority, \$300,000,000.
(B) Outlays, -\$900,000,000.
- (5) Natural Resources and Environment (300):

- Fiscal year 2000:
 - (A) New budget authority, \$24,300,000,000.
 - (B) Outlays, \$24,200,000,000.
- Fiscal year 2001:
 - (A) New budget authority, \$25,000,000,000.
 - (B) Outlays, \$24,800,000,000.
- Fiscal year 2002:
 - (A) New budget authority, \$25,100,000,000.
 - (B) Outlays, \$25,100,000,000.
- Fiscal year 2003:
 - (A) New budget authority, \$25,200,000,000.
 - (B) Outlays, \$25,200,000,000.
- Fiscal year 2004:
 - (A) New budget authority, \$25,300,000,000.
 - (B) Outlays, \$25,200,000,000.
- Fiscal year 2005:
 - (A) New budget authority, \$25,400,000,000.
 - (B) Outlays, \$25,100,000,000.
- (6) Agriculture (350):
 - Fiscal year 2000:
 - (A) New budget authority, \$35,700,000,000.
 - (B) Outlays, \$34,300,000,000.
 - Fiscal year 2001:
 - (A) New budget authority, \$19,100,000,000.
 - (B) Outlays, \$16,900,000,000.
 - Fiscal year 2002:
 - (A) New budget authority, \$18,500,000,000.
 - (B) Outlays, \$16,700,000,000.
 - Fiscal year 2003:
 - (A) New budget authority, \$17,600,000,000.
 - (B) Outlays, \$15,900,000,000.
 - Fiscal year 2004:
 - (A) New budget authority, \$17,000,000,000.
 - (B) Outlays, \$15,500,000,000.
 - Fiscal year 2005:
 - (A) New budget authority, \$15,800,000,000.
 - (B) Outlays, \$14,200,000,000.
- (7) Commerce and Housing Credit (370):
 - Fiscal year 2000:
 - (A) New budget authority, \$7,500,000,000.
 - (B) Outlays, \$3,100,000,000.
 - Fiscal year 2001:
 - (A) New budget authority, \$6,300,000,000.
 - (B) Outlays, \$2,300,000,000.
 - Fiscal year 2002:
 - (A) New budget authority, \$8,700,000,000.
 - (B) Outlays, \$5,000,000,000.
 - Fiscal year 2003:
 - (A) New budget authority, \$9,500,000,000.
 - (B) Outlays, \$4,700,000,000.
 - Fiscal year 2004:
 - (A) New budget authority, \$13,600,000,000.
 - (B) Outlays, \$8,700,000,000.
 - Fiscal year 2005:

- (A) New budget authority, \$13,500,000,000.
- (B) Outlays, \$9,600,000,000.
- (8) Transportation (400):
 - Fiscal year 2000:
 - (A) New budget authority, \$54,300,000,000.
 - (B) Outlays, \$46,600,000,000.
 - Fiscal year 2001:
 - (A) New budget authority, \$59,200,000,000.
 - (B) Outlays, \$50,300,000,000.
 - Fiscal year 2002:
 - (A) New budget authority, \$57,400,000,000.
 - (B) Outlays, \$52,500,000,000.
 - Fiscal year 2003:
 - (A) New budget authority, \$58,800,000,000.
 - (B) Outlays, \$54,800,000,000.
 - Fiscal year 2004:
 - (A) New budget authority, \$58,800,000,000.
 - (B) Outlays, \$55,100,000,000.
 - Fiscal year 2005:
 - (A) New budget authority, \$58,800,000,000.
 - (B) Outlays, \$55,100,000,000.
- (9) Community and Regional Development (450):
 - Fiscal year 2000:
 - (A) New budget authority, \$11,200,000,000.
 - (B) Outlays, \$10,800,000,000.
 - Fiscal year 2001:
 - (A) New budget authority, \$9,100,000,000.
 - (B) Outlays, \$11,100,000,000.
 - Fiscal year 2002:
 - (A) New budget authority, \$8,500,000,000.
 - (B) Outlays, \$9,700,000,000.
 - Fiscal year 2003:
 - (A) New budget authority, \$8,400,000,000.
 - (B) Outlays, \$8,800,000,000.
 - Fiscal year 2004:
 - (A) New budget authority, \$8,400,000,000.
 - (B) Outlays, \$8,300,000,000.
 - Fiscal year 2005:
 - (A) New budget authority, \$8,500,000,000.
 - (B) Outlays, \$7,800,000,000.
- (10) Education, Training, Employment, and Social Services (500):
 - Fiscal year 2000:
 - (A) New budget authority, \$57,700,000,000.
 - (B) Outlays, \$61,400,000,000.
 - Fiscal year 2001:
 - (A) New budget authority, \$72,600,000,000.
 - (B) Outlays, \$69,200,000,000.
 - Fiscal year 2002:
 - (A) New budget authority, \$74,000,000,000.
 - (B) Outlays, \$72,100,000,000.
 - Fiscal year 2003:
 - (A) New budget authority, \$75,000,000,000.
 - (B) Outlays, \$73,200,000,000.

- Fiscal year 2004:
(A) New budget authority, \$76,100,000,000.
(B) Outlays, \$73,500,000,000.
- Fiscal year 2005:
(A) New budget authority, \$77,800,000,000.
(B) Outlays, \$74,200,000,000.
- (11) Health (550):
Fiscal year 2000:
(A) New budget authority, \$159,300,000,000.
(B) Outlays, \$152,300,000,000.
- Fiscal year 2001:
(A) New budget authority, \$169,700,000,000.
(B) Outlays, \$167,100,000,000.
- Fiscal year 2002:
(A) New budget authority, \$179,600,000,000.
(B) Outlays, \$177,900,000,000.
- Fiscal year 2003:
(A) New budget authority, \$191,500,000,000.
(B) Outlays, \$190,600,000,000.
- Fiscal year 2004:
(A) New budget authority, \$205,600,000,000.
(B) Outlays, \$205,000,000,000.
- Fiscal year 2005:
(A) New budget authority, \$221,700,000,000.
(B) Outlays, \$220,300,000,000.
- (12) Medicare (570):
Fiscal year 2000:
(A) New budget authority, \$199,600,000,000.
(B) Outlays, \$199,500,000,000.
- Fiscal year 2001:
(A) New budget authority, \$215,700,000,000.
(B) Outlays, \$216,000,000,000.
- Fiscal year 2002:
(A) New budget authority, \$221,600,000,000.
(B) Outlays, \$221,600,000,000.
- Fiscal year 2003:
(A) New budget authority, \$239,700,000,000.
(B) Outlays, \$239,500,000,000.
- Fiscal year 2004:
(A) New budget authority, \$255,300,000,000.
(B) Outlays, \$255,500,000,000.
- Fiscal year 2005:
(A) New budget authority, \$278,700,000,000.
(B) Outlays, \$278,700,000,000.
- (13) Income Security (600):
Fiscal year 2000:
(A) New budget authority, \$238,400,000,000.
(B) Outlays, \$248,000,000,000.
- Fiscal year 2001:
(A) New budget authority, \$252,200,000,000.
(B) Outlays, \$254,900,000,000.
- Fiscal year 2002:
(A) New budget authority, \$263,000,000,000.
(B) Outlays, \$264,300,000,000.

- Fiscal year 2003:
(A) New budget authority, \$272,100,000,000.
(B) Outlays, \$273,400,000,000.
- Fiscal year 2004:
(A) New budget authority, \$281,700,000,000.
(B) Outlays, \$283,200,000,000.
- Fiscal year 2005:
(A) New budget authority, \$294,000,000,000.
(B) Outlays, \$295,900,000,000.
- (14) Social Security (650):
- Fiscal year 2000:
(A) New budget authority, \$14,700,000,000.
(B) Outlays, \$14,700,000,000.
- Fiscal year 2001:
(A) New budget authority, \$13,100,000,000.
(B) Outlays, \$13,000,000,000.
- Fiscal year 2002:
(A) New budget authority, \$14,900,000,000.
(B) Outlays, \$14,900,000,000.
- Fiscal year 2003:
(A) New budget authority, \$15,700,000,000.
(B) Outlays, \$15,600,000,000.
- Fiscal year 2004:
(A) New budget authority, \$16,600,000,000.
(B) Outlays, \$16,500,000,000.
- Fiscal year 2005:
(A) New budget authority, \$17,400,000,000.
(B) Outlays, \$17,400,000,000.
- (15) Veterans Benefits and Services (700):
- Fiscal year 2000:
(A) New budget authority, \$46,000,000,000.
(B) Outlays, \$45,200,000,000.
- Fiscal year 2001:
(A) New budget authority, \$47,800,000,000.
(B) Outlays, \$47,400,000,000.
- Fiscal year 2002:
(A) New budget authority, \$49,000,000,000.
(B) Outlays, \$48,900,000,000.
- Fiscal year 2003:
(A) New budget authority, \$50,800,000,000.
(B) Outlays, \$50,600,000,000.
- Fiscal year 2004:
(A) New budget authority, \$52,000,000,000.
(B) Outlays, \$51,700,000,000.
- Fiscal year 2005:
(A) New budget authority, \$55,300,000,000.
(B) Outlays, \$54,900,000,000.
- (16) Administration of Justice (750):
- Fiscal year 2000:
(A) New budget authority, \$27,300,000,000.
(B) Outlays, \$28,000,000,000.
- Fiscal year 2001:
(A) New budget authority, \$28,000,000,000.
(B) Outlays, \$28,000,000,000.

- Fiscal year 2002:
 (A) New budget authority, \$27,800,000,000.
 (B) Outlays, \$28,000,000,000.
- Fiscal year 2003:
 (A) New budget authority, \$27,900,000,000.
 (B) Outlays, \$27,900,000,000.
- Fiscal year 2004:
 (A) New budget authority, \$28,200,000,000.
 (B) Outlays, \$27,900,000,000.
- Fiscal year 2005:
 (A) New budget authority, \$28,400,000,000.
 (B) Outlays, \$28,100,000,000.
- (17) General Government (800):
- Fiscal year 2000:
 (A) New budget authority, \$13,900,000,000.
 (B) Outlays, \$14,700,000,000.
- Fiscal year 2001:
 (A) New budget authority, \$13,600,000,000.
 (B) Outlays, \$14,200,000,000.
- Fiscal year 2002:
 (A) New budget authority, \$13,600,000,000.
 (B) Outlays, \$13,900,000,000.
- Fiscal year 2003:
 (A) New budget authority, \$13,500,000,000.
 (B) Outlays, \$13,700,000,000.
- Fiscal year 2004:
 (A) New budget authority, \$13,500,000,000.
 (B) Outlays, \$13,700,000,000.
- Fiscal year 2005:
 (A) New budget authority, \$13,600,000,000.
 (B) Outlays, \$13,500,000,000.
- (18) Net Interest (900):
- Fiscal year 2000:
 (A) New budget authority, \$284,600,000,000.
 (B) Outlays, \$284,600,000,000.
- Fiscal year 2001:
 (A) New budget authority, \$288,500,000,000.
 (B) Outlays, \$288,500,000,000.
- Fiscal year 2002:
 (A) New budget authority, \$290,000,000,000.
 (B) Outlays, \$290,000,000,000.
- Fiscal year 2003:
 (A) New budget authority, \$285,800,000,000.
 (B) Outlays, \$285,800,000,000.
- Fiscal year 2004:
 (A) New budget authority, \$281,000,000,000.
 (B) Outlays, \$281,000,000,000.
- Fiscal year 2005:
 (A) New budget authority, \$275,500,000,000.
 (B) Outlays, \$275,500,000,000.
- (19) Allowances (920):
- Fiscal year 2000:
 (A) New budget authority, \$8,500,000,000.
 (B) Outlays, \$11,500,000,000.

- Fiscal year 2001:
 (A) New budget authority, — \$4,200,000,000.
 (B) Outlays, — \$8,600,000,000.
- Fiscal year 2002:
 (A) New budget authority, — \$1,500,000,000.
 (B) Outlays, — \$500,000,000.
- Fiscal year 2003:
 (A) New budget authority, — \$1,700,000,000.
 (B) Outlays, — \$1,400,000,000.
- Fiscal year 2004:
 (A) New budget authority, — \$2,300,000,000.
 (B) Outlays, — \$2,200,000,000.
- Fiscal year 2005:
 (A) New budget authority, — \$2,500,000,000.
 (B) Outlays, — \$2,500,000,000.
- (20) Undistributed Offsetting Receipts (950):
 Fiscal year 2000:
 (A) New budget authority, — \$34,100,000,000.
 (B) Outlays, — \$34,100,000,000.
- Fiscal year 2001:
 (A) New budget authority, — \$38,400,000,000.
 (B) Outlays, — \$38,400,000,000.
- Fiscal year 2002:
 (A) New budget authority, — \$41,300,000,000.
 (B) Outlays, — \$41,300,000,000.
- Fiscal year 2003:
 (A) New budget authority, — \$40,700,000,000.
 (B) Outlays, — \$40,700,000,000.
- Fiscal year 2004:
 (A) New budget authority, — \$38,100,000,000.
 (B) Outlays, — \$38,100,000,000.
- Fiscal year 2005:
 (A) New budget authority, — \$39,200,000,000.
 (B) Outlays, — \$39,200,000,000.

SEC. 4. RECONCILIATION.

(a) LEGISLATION PROVIDING \$150 BILLION IN TAX RELIEF OVER A 5-YEAR PERIOD.—

(1) SUBMISSIONS REGARDING REVENUES.—The House Committee on Ways and Means shall report to the House a reconciliation bill—

- (A) not later than May 26, 2000;
 (B) not later than June 23, 2000;
 (C) not later than July 28, 2000; and
 (D) not later than September 22, 2000;

that consists of changes in laws within its jurisdiction sufficient to reduce the total level of revenues by not more than: \$9,554,000,000 for fiscal year 2001, and \$145,648,000,000 for the period of fiscal years 2001 through 2005.

(2) HEALTH-RELATED TAX PROVISIONS.—Whenever any bill referred to in section 9(a) is reported (or an amendment is offered or a conference report thereon is submitted) after the date of adoption of this resolution that provides the health-related tax provisions contained in H.R. 2990 (as passed the House), the chairman of the Committee on the Budget of the

House shall increase the reconciliation instruction set forth in section 4(a)(1) by the amount of the revenue reduction provided by such measure for such purpose but not to exceed \$446,000,000 in fiscal year 2001 and \$4,352,000,000 for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

(b) **SUBMISSIONS REGARDING DEBT HELD BY THE PUBLIC.**—The House Committee on Ways and Means shall report to the House a reconciliation bill—

(1) not later than May 26, 2000, that consists of changes in laws within its jurisdiction sufficient to reduce the debt held by the public by \$10,000,000,000 for fiscal year 2001; and

(2) not later than September 22, 2000 that consists of changes in laws within its jurisdiction sufficient to reduce the debt held by the public by not more than \$20,000,000,000 for fiscal year 2001.

SEC. 5. LOCK-BOX FOR SOCIAL SECURITY SURPLUSES.

(a) **FINDINGS.**—Congress finds that—

(1) under the Budget Enforcement Act of 1990, the social security trust funds are off-budget for purposes of the President's budget submission and the concurrent resolution on the budget;

(2) the social security trust funds have been running surpluses for 17 years;

(3) these surpluses have been used to implicitly finance the general operations of the Federal Government;

(4) in fiscal year 2001, the social security surplus will be \$166 billion;

(5) this resolution balances the Federal budget without counting the social security surpluses;

(6) the only way to ensure that social security surpluses are not diverted for other purposes is to balance the budget exclusive of such surpluses; and

(7) Congress and the President should take such steps as are necessary to ensure that future budgets are balanced excluding the surpluses generated by the social security trust funds.

(b) **POINT OF ORDER.**—

(1) **IN GENERAL.**—It shall not be in order in the House of Representatives or the Senate to consider any revision to this resolution or a concurrent resolution on the budget for fiscal year 2002, or any amendment thereto or conference report thereon, that sets forth a deficit for any fiscal year.

(2) **DEFICIT LEVELS.**—For purposes of this subsection, a deficit shall be the level (if any) set forth in the most recently agreed to concurrent resolution on the budget for that fiscal year pursuant to section 301(a)(3) of the Congressional Budget Act of 1974.

(c) **SENSE OF CONGRESS.**—It is the sense of Congress that legislation should be enacted in this session of Congress that would enforce the reduction in debt held by the public assumed in this resolution by the imposition of a statutory limit on such debt or other appropriate means.

SEC. 6. DEBT REDUCTION LOCK-BOX.

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any reported bill or joint resolution, or any amendment thereto or conference report thereon, that would cause a surplus for fiscal year 2001 to be less than the level (as adjusted for reconciliation or other tax-related legislation, medicare, or agriculture as considered pursuant to section 4, 8, 9, 10, 11, 12, 13, or 14) set forth in section 2(4) for that fiscal year.

(b) SPECIAL RULE.—The level of the surplus for purposes of subsection (a) shall take into account amounts adjusted under section 314(a)(2)(B) or (C) of the Congressional Budget Act of 1974.

SEC. 7. REDUCTION OF PUBLICLY-HELD DEBT.

(a) PURPOSE.—It is the purpose of this section to ensure that the fiscal year 2000 on-budget surplus is used to reduce publicly-held debt.

(b) REDUCTION OF PUBLICLY-HELD DEBT.—

(1) POINT OF ORDER AGAINST CERTAIN LEGISLATION.—Except as provided by paragraph (2), it shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

- (A) the enactment of that bill or resolution as reported;
- (B) the adoption and enactment of that amendment; or
- (C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause a decrease in the on-budget surplus for fiscal year 2000.

(2) EXCEPTION.—The point of order set forth in paragraph (1) shall not apply to a bill, joint resolution, amendment, motion, or conference report if it—

- (A) reduces revenues;
- (B) implements structural social security reform; or
- (C) implements structural medicare reform.

(3) WAIVERS AND APPEALS IN THE SENATE.—

(A) WAIVERS.—Paragraph (1) may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(B) APPEALS.—(i) Appeals in the Senate from the decisions of the Chair relating to paragraph (1) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the bill, joint resolution, amendment, motion, or conference report, as the case may be.

(ii) An affirmative vote of three-fifths of the Members, 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 paragraph (1).

(c) EFFECTIVE DATE.—The provisions of this section shall cease to have any force or effect on October 1, 2000.

SEC. 8. SPECIAL PROCEDURES TO SAFEGUARD TAX RELIEF.

(a) ADJUSTMENTS TO PRESERVE SURPLUSES.—Upon the reporting of a reconciliation bill by the Committee on Ways and Means pursuant to section 4(a)(1) or, the offering of an amendment to, or the submission of a conference report on, H.R. 3081, H.R. 6, or H.R.

2990, whichever occurs first, the chairman of the Committee on the Budget of the House shall reduce to zero the amounts by which aggregate levels of Federal revenues should be reduced as set forth in section 2(1)(B) (and make all other appropriate conforming adjustments).

(b) **ADJUSTMENTS FOR REVENUE BILLS.**—After making the adjustments referred to in paragraph (1), and whenever the Committee on Ways and Means reports any reconciliation bill pursuant to section 4(a)(1) (or an amendment thereto is offered or a conference report thereon is submitted) or an amendment to H.R. 3081, H.R. 6, or H.R. 2990 is offered or a conference report thereon is submitted after the date of adoption of this resolution, the chairman of the Committee on the Budget of the House shall increase the levels by which Federal revenues should be reduced by the reduction in revenue caused by such measure for each applicable year or period, but not to exceed, after taking into account any other bill or joint resolution enacted during this session of the One Hundred Sixth Congress that causes a reduction in revenues for such year or period, \$9,554,000,000 in fiscal year 2001 and \$145,648,000,000 for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

SEC. 9. RESERVE FUND PROVIDING AN ADDITIONAL \$50 BILLION FOR ADDITIONAL TAX RELIEF AND DEBT REDUCTION.

Whenever the Committee on Ways and Means reports any reconciliation bill pursuant to section 4(a)(1) (or an amendment thereto is offered or a conference report thereon is submitted), or an amendment to H.R. 3081, H.R. 6, or H.R. 2990 is offered or a conference report thereon is submitted after the date of adoption of this resolution (after taking into account any other bill or joint resolution enacted during this session of the One Hundred Sixth Congress that would cause a reduction in revenues for fiscal year 2001 or the period of fiscal years 2001 through 2005) that would cause the level by which Federal revenues should be reduced, as set forth in section 2(1)(B) for such fiscal year or for such period, as adjusted, to be exceeded, the chairman of the Committee on the Budget of the House may increase the levels by which Federal revenues should be reduced by the amount exceeding such level resulting from such measure, but not to exceed \$0 in fiscal year 2001 and \$50,000,000,000 for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

SEC. 10. RESERVE FUND FOR AUGUST UPDATE REVISION OF BUDGET SURPLUSES.

(a) **REPORTING A SURPLUS.**—If the Congressional Budget Office report referred to in subsection (c) projects an increase in the surplus for fiscal year 2000, fiscal year 2001, and the period of fiscal years 2001 through 2005 over the corresponding levels set forth in its March 2000 economic and budget forecast for fiscal year 2001, submitted pursuant to section 202(e)(1) of the Congressional Budget Act of 1974, the chairman of the Committee on the Budget of the House may make the adjustments as provided in subsection (b).

(b) **ADJUSTMENTS.**—Whenever the Committee on Ways and Means reports any reconciliation bill pursuant to section 4(a)(1) (or an amendment thereto is offered or a conference report thereon is submitted), or an amendment to H.R. 3081, H.R. 6, or H.R. 2990

is offered or a conference report thereon is submitted after the date of adoption of this resolution that (after taking into account any other bill or joint resolution enacted during this session of the One Hundred Sixth Congress that would cause a reduction in revenues for such year or period) would cause the level by which Federal revenues should be reduced, as set forth in section 2(1)(B) for fiscal year 2001 or for the period of fiscal years 2001 through 2005, as adjusted, to be exceeded, the chairman of the Committee on the Budget of the House may increase the levels by which Federal revenues should be reduced by the amount exceeding such level resulting from such measure for each applicable year or period (or for fiscal year 2000 may increase the level of the surplus and make all other appropriate conforming adjustments), but not to exceed the increase in the surplus for such year or period in the report referred to in subsection (a).

(c) CONGRESSIONAL BUDGET OFFICE UPDATED BUDGET FORECAST FOR FISCAL YEAR 2001.—The report referred to in subsection (a) is the Congressional Budget Office updated budget forecast for fiscal year 2001.

SEC. 11. RESERVE FUND FOR MEDICARE.

Whenever the Committee on Ways and Means or Committee on Commerce of the House reports a bill or joint resolution, or an amendment thereto is offered (in the House), or a conference report thereon is submitted that reforms the medicare program and provides coverage for prescription drugs, the chairman of the Committee on the Budget may increase the aggregates and allocations of new budget authority (and outlays resulting therefrom) by the amount provided by that measure for that purpose, but not to exceed \$2,000,000,000 in new budget authority and outlays for fiscal year 2001 and \$40,000,000,000 in new budget authority and outlays for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

SEC. 12. RESERVE FUND FOR AGRICULTURE IN FISCAL YEAR 2000.

Whenever the Committee on Agriculture of the House reports a bill or joint resolution, or an amendment thereto is offered (in the House), or a conference report thereon is submitted that provides income support to owners and producers of farms, the chairman of the Committee on the Budget may increase the allocation of new budget authority and outlays to that committee for fiscal year 2000 by the amount of new budget authority (and the outlays resulting therefrom) provided by that measure for that purpose not to exceed \$6,000,000,000 in new budget authority and outlays for fiscal year 2000, \$0 in new budget authority and outlays for the period of fiscal years 2001 through 2004, and \$6,000,000,000 in new budget authority and outlays for the period of fiscal years 2000 through 2004 (and make all other appropriate conforming adjustments).

SEC. 13. RESERVE FUND FOR AGRICULTURE IN FISCAL YEAR 2001.

Whenever the Committee on Agriculture of the House reports a bill or joint resolution, or an amendment thereto is offered (in the House), or a conference report thereon is submitted that provides risk management or income assistance for agricultural producers, the chairman of the Committee on the Budget may increase the allocation of new budget authority and outlays to that committee by

the amount of new budget authority (and the outlays resulting therefrom) if such legislation does not exceed \$1,355,000,000 in new budget authority and \$595,000,000 in outlays for fiscal year 2001 and \$8,359,000,000 in new budget authority and \$7,223,000,000 in outlays for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

SEC. 14. RESERVE FUND FOR FEDERAL EMPLOYEES PAY RAISE AND BENEFIT PACKAGE.

Whenever any bill is reported by the Committee on Government Reform (or an amendment is offered or a conference report thereon is submitted) that permits Federal employees to immediately participate in the Thrift Savings Plan, the chairman of the Committee on the Budget of the House shall increase (if necessary) the levels by which Federal revenues should be reduced by an amount not to exceed \$17,000,000 in fiscal year 2001 and \$107,000,000 for the period of fiscal years 2001 through 2005 (and make all other appropriate conforming adjustments).

SEC. 15. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to section 4(a)(2), 8(b), 9, 10, 11, 12, 13, or 14 for any measure shall—

- (1) apply while that measure is under consideration;
- (2) take effect upon the enactment of that measure; and
- (3) be published in the Congressional Record as soon as practicable.

(b) EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

- (1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as applicable; and
- (2) such chairman, as applicable, may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 16. SENSE OF THE HOUSE ON WASTE, FRAUD, AND ABUSE.

(a) FINDINGS.—The House finds that—

- (1) while the budget may be in balance, it continues to be ridden with waste, fraud, and abuse;
- (2) just last month, auditors documented more than \$19,000,000,000 in improper payments each year by such agencies as the Agency of International Development, the Internal Revenue Service, the Social Security Administration, and the Department of Defense;
- (3) the General Accounting Office (GAO) recently reported that the financial management practices of some Federal agen-

cies are so poor that it is unable to determine the full extent of improper government payments; and

(4) the GAO now lists a record number of 25 Federal programs that are at “high risk” of waste, fraud, and abuse.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Committee on the Budget has now created task forces to address this issue and that the President should take immediate steps to reduce waste, fraud, and abuse within the Federal Government and report on such actions to the Congress and that the resolution should include reconciliation directives to the appropriate committees of jurisdiction to dedicate the resulting savings to debt reduction and tax relief.

SEC. 17. SENSE OF CONGRESS ON PROVIDING ADDITIONAL DOLLARS TO THE CLASSROOM.

(a) FINDINGS.—The Congress finds that—

(1) strengthening America’s public schools while respecting State and local control is critically important to the future of our children and our Nation;

(2) education is a local responsibility, a State priority, and a national concern;

(3) a partnership with the Nation’s governors, parents, teachers, and principals must take place in order to strengthen public schools and foster educational excellence;

(4) the consolidation of various Federal education programs will benefit our Nation’s children, parents, and teachers by sending more dollars directly to the classroom; and

(5) our Nation’s children deserve an educational system that will provide opportunities to excel.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Congress should enact legislation that would consolidate thirty-one Federal K–12 education programs; and

(2) the Department of Education, the States, and local educational agencies should work together to ensure that not less than 95 percent of all funds appropriated for the purpose of carrying out elementary and secondary education programs administered by the Department of Education is spent for our children in their classrooms.

SEC. 18. SENSE OF CONGRESS REGARDING EMERGENCY SPENDING.

It is the sense of Congress that, as a part of a comprehensive reform of the budget process, the Committees on the Budget should develop a definition of, and a process for, funding emergencies consistent with the applicable provisions of H.R. 853, the Comprehensive Budget Process Reform Act of 1999, that could be incorporated into the Rules of the House of Representatives and the Standing Rules of the Senate.

SEC. 19. SENSE OF THE HOUSE ON ESTIMATES OF THE IMPACT OF REGULATIONS ON THE PRIVATE SECTOR.

(a) FINDINGS.—The House finds that—

(1) the Federal regulatory system sometimes adversely affects many Americans and businesses by imposing financial burdens with little corresponding public benefit;

(2) currently, Congress has no general mechanism for assessing the financial impact of regulatory activities on the private sector;

(3) Congress is ultimately responsible for making sure agencies act in accordance with congressional intent and, while the executive branch is responsible for promulgating regulations, Congress should curb ineffective regulations by using its oversight and regulatory powers; and

(4) a variety of reforms have been suggested to increase congressional oversight over regulatory activity, including directing the President to prepare an annual accounting statement containing several cost/benefit analyses, recommendations to reform inefficient regulatory programs, and an identification and analysis of duplications and inconsistencies among such programs.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House that the House should reclaim its role as reformer and take the first step toward curbing inefficient regulatory activity by passing legislation authorizing the Congressional Budget Office to prepare regular estimates on the impact of proposed Federal regulations on the private sector.

SEC. 20. SENSE OF THE HOUSE ON BIENNIAL BUDGET.

It is the sense of the House that there is a wide range of views on the advisability of biennial budgeting and this issue should be considered only within the context of comprehensive budget process reform.

SEC. 21. SENSE OF CONGRESS ON ACCESS TO HEALTH INSURANCE AND PRESERVING HOME HEALTH SERVICES FOR ALL MEDICARE BENEFICIARIES.

(a) **ACCESS TO HEALTH INSURANCE.**—

(1) **FINDINGS.**—Congress finds that—

(A) 44.4 million Americans are currently without health insurance, and that this number is expected to rise to nearly 60 million people in the next 10 years;

(B) the cost of health insurance continues to rise, a key factor in increasing the number of uninsured; and

(C) there is a consensus that working Americans and their families will suffer from reduced access to health insurance.

(2) **SENSE OF CONGRESS ON IMPROVING ACCESS TO HEALTH CARE INSURANCE.**—It is the sense of Congress that access to affordable health care coverage for all Americans is a priority of the 106th Congress.

(b) **PRESERVING HOME HEALTH SERVICE FOR ALL MEDICARE BENEFICIARIES.**—

(1) **FINDINGS.**—Congress finds that—

(A) the Balanced Budget Act of 1997 reformed Medicare home health care spending by instructing the Health Care Financing Administration to implement a prospective payment system and instituted an interim payment system to achieve savings;

(B) the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act, 1999, reformed the interim payment system to increase reimbursements to low-cost providers

and delayed the automatic 15 percent payment reduction until after the first year of the implementation of the prospective payment system; and

(C) patients whose care is more extensive and expensive than the typical Medicare patient do not receive supplemental payments in the interim payment system but will receive special protection in the home health care prospective payment system.

(2) **SENSE OF CONGRESS ON ACCESS TO HOME HEALTH CARE.**—It is the sense of Congress that—

(A) Congress recognizes the importance of home health care for seniors and disabled citizens;

(B) Congress and the Administration should work together to maintain quality care for patients whose care is more extensive and expensive than the typical Medicare patient, including the sickest and frailest Medicare beneficiaries, while home health care agencies operate in the interim payment system; and

(C) Congress and the Administration should work together to avoid the implementation of the 15 percent reduction in the prospective payment system and ensured timely implementation of that system.

SEC. 22. SENSE OF CONGRESS REGARDING MEDICARE+CHOICE PROGRAMS/REIMBURSEMENT RATES.

It is the sense of Congress that the Medicare+Choice regional disparity among reimbursement rates is unfair, and that full funding of the Medicare+Choice program is a priority as Congress deals with any medicare reform legislation.

SEC. 23. SENSE OF THE HOUSE ON DIRECTING THE INTERNAL REVENUE SERVICE TO ACCEPT NEGATIVE NUMBERS IN FARM INCOME AVERAGING.

(a) **FINDINGS.**—The House finds that—

(1) farmers' and ranchers' incomes vary widely from year to year due to uncontrollable markets and unpredictable weather;

(2) in the Taxpayer Relief Act of 1997, Congress enacted 3-year farm income averaging to protect agricultural producers from excessive tax rates in profitable years;

(3) last year, the Internal Revenue Service (IRS) proposed final regulations for averaging farm income which fail to make clear that taxable income in a given year may be a negative number; and

(4) this IRS interpretation can result in farmers having to pay additional taxes during years in which they experience a loss in income.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House that during this session of the 106th Congress, legislation should be considered to direct the Internal Revenue Service to count any net loss of income in determining the proper rate of taxation.

SEC. 24. SENSE OF THE HOUSE REGARDING THE STABILIZATION OF CERTAIN FEDERAL PAYMENTS TO STATES, COUNTIES, AND BOROUGHES.

It is the sense of the House that Federal revenue-sharing payments to States, counties, and boroughs pursuant to the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), the Act of March 1, 1911

(36 Stat. 963; 16 U.S.C. 500), the Act of August 28, 1937 (chapter 876; 50 Stat. 875; 43 U.S.C. 1181f), the Act of May 24, 1939 (chapter 144; 53 Stat. 753; 43 U.S.C. 1181f–1 et seq.), and sections 13982 and 13983 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 16 U.S.C. 500 note; 43 U.S.C. 1181f note) should be stabilized and maintained for the long-term benefit of schools, roads, public services, and communities, and that providing such permanent, stable funding is a priority of the 106th Congress.

SEC. 25. SENSE OF CONGRESS ON THE IMPORTANCE OF THE NATIONAL SCIENCE FOUNDATION.

(a) FINDINGS.—The Congress finds that—

(1) the year 2000 will mark the 50th Anniversary of the National Science Foundation;

(2) the National Science Foundation is the largest supporter of basic research in the Federal Government;

(3) the National Science Foundation is the second largest supporter of university-based research;

(4) research conducted by the grantees of the National Science Foundation has led to innovations that have dramatically improved the quality of life of all Americans;

(5) grants made by the National Science Foundation have been a crucial factor in the development of important technologies that Americans take for granted, such as lasers, Magnetic Resonance Imaging, Doppler Radar, and the Internet;

(6) because basic research funded by the National Science Foundation is high-risk, cutting edge, fundamental, and may not produce tangible benefits for over a decade, the Federal Government is uniquely suited to support such research; and

(7) the National Science Foundation's focus on peer-reviewed merit based grants represents a model for research agencies across the Federal Government.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the function 250 (Basic Science) levels assume an amount of funding which ensures that the National Science Foundation is a priority in the resolution; recognizing the National Science Foundation's critical roles in funding basic research, which leads to the innovations that assure the Nation's economic future, and in cultivating America's intellectual infrastructure.

SEC. 26. SENSE OF CONGRESS REGARDING SKILLED NURSING FACILITIES.

It is the sense of Congress that the Medicare Payment Advisory Commission continue to carefully monitor the medicare skilled nursing benefit to determine if payment rates are sufficient to provide quality care, and that if reform is recommended, Congress should pass legislation as quickly as possible to assure quality skilled nursing care.

SEC. 27. SENSE OF CONGRESS ON SPECIAL EDUCATION.

(a) FINDINGS.—Congress finds that—

(1) all children deserve a quality education, including children with disabilities;

(2) the Individuals with Disabilities Education Act provides that the Federal, State, and local governments are to share in

the expense of educating children with disabilities and commits the Federal Government to pay up to 40 percent of the national average per pupil expenditure for children with disabilities;

(3) the high cost of educating children with disabilities and the Federal Government's failure to fully meet its obligation under the Individuals with Disabilities Education Act stretches limited State and local education funds, creating difficulty in providing a quality education to all students, including children with disabilities;

(4) the current level of Federal funding to States and localities under the Individuals with Disabilities Education Act is contrary to the goal of ensuring that children with disabilities receive a quality education;

(5) the Federal Government has failed to appropriate 40 percent of the national average per pupil expenditure per child with a disability as required under the Individuals with Disabilities Act to assist States and localities to educate children with disabilities; and

(6) the levels in function 500 (Education) for fiscal year 2001 assume sufficient discretionary budget authority to accommodate fiscal year 2001 appropriations for IDEA at least \$2,000,000,000 above such funding levels appropriated in fiscal year 2000.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Congress and the President should increase fiscal year 2001 funding for programs under the Individuals with Disabilities Act by at least \$2,000,000,000 above fiscal year 2000 appropriated levels;

(2) Congress and the President should give programs under the Individuals with Disabilities Education Act the highest priority among Federal elementary and secondary education programs by meeting the commitment to fund the maximum State grant allocation for educating children with disabilities under such Act prior to authorizing or appropriating funds for any new education initiative;

(3) Congress and the President should, if new or increased funding is authorized or appropriated for any education initiative, provide the flexibility in such authorization or appropriation necessary to allow local educational agencies the authority to use such funds for programs under the Individuals with Disabilities Education Act; and

(4) if a local educational agency chooses to utilize the authority under section 613(a)(2)(C)(i) of the Individuals with Disabilities Education Act to treat as local funds up to 20 percent of the amount of funds the agency receives under part B of such Act that exceeds the amount it received under that part for the previous fiscal year, then the agency should use those local funds to provide additional funding for any Federal, State, or local education program.

SEC. 28. ASSUMED FUNDING LEVELS FOR SPECIAL EDUCATIONAL.

It is the sense of Congress that function 500 (Education) levels assume at least a \$2,000,000,000 increase in fiscal year 2001 over the current fiscal year to reflect the commitment of Congress to ap-

appropriate 40 percent of the national per pupil expenditure for children with disabilities by a date certain.

SEC. 29. SENSE OF CONGRESS ON A FEDERAL EMPLOYEE PAY RAISE.

It is the sense of Congress that the pay increase for Federal employees in January 2001 should be at least 3.7 percent.

SEC. 30. SENSE OF CONGRESS REGARDING HCFA DRAFT GUIDELINES.

(a) FINDINGS.—Congress finds that—

(1) on February 15, 2000, the Health Care Financing Administration in the Department of Health and Human Services issued a draft Medicaid School-Based Administrative Claiming (MAC) Guide; and

(2) in its introduction, the stated purpose of the draft MAC guide is to provide information for schools, State medicaid agencies, HCFA staff, and other interested parties on the existing requirements for claiming Federal funds under the medicaid program for the costs of administrative activities, such as medicaid outreach, that are performed in the school setting associated with school-based health services programs.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) many school-based health programs provide a broad range of services that are covered by medicaid, affording access to care for children who otherwise might well go without needed services;

(2) such programs also can play a powerful role in identifying and enrolling children who are eligible for medicaid, as well as the State Children's Health Insurance programs;

(3) undue administrative burdens may be placed on school districts and States and deter timely application approval;

(4) the Health Care Financing Administration should substantially revise or abandon the current draft MAC guide because it appears to promulgate new rules that place excessive administrative burdens on participating school districts;

(5) the goal of the revised guide should be to encourage the appropriate use of Medicaid school-based services without undue administrative burdens; and

(6) the best way to ensure the continued viability of medicaid school-based services is to guarantee that the guidelines are fair and responsible.

SEC. 31. SENSE OF CONGRESS ON ASSET-BUILDING FOR THE WORKING POOR.

(a) FINDINGS.—Congress finds that—

(1) 33 percent of all Americans households and 60 percent of African American households have no or negative financial assets;

(2) 46.9 percent of children in America live in households with no financial assets, including 40 percent of Caucasian children and 75 percent of African American children;

(3) in order to provide low-income families with more tools for empowerment, incentives, including individual development accounts, are demonstrating success at empowering low-income workers;

(5) middle and upper income Americans currently benefit from tax incentives for building assets; and

(6) the Federal Government should utilize the Federal tax code to provide low-income Americans with incentives to work and build assets in order to escape poverty permanently.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the provisions of this resolution assume that Congress should modify the Federal tax law to include Individual Development Account provisions in order to encourage low-income workers and their families to save for buying a first home, starting a business, obtaining an education, or taking other measures to prepare for the future.

