106TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
106–73

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 2000

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H. Con. Res. 68

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2000 AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR EACH OF FISCAL YEARS 2001 THROUGH 2009

together with

MINORITY AND ADDITIONAL VIEWS

MARCH 23, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

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[To accompany H. Con. Res. 68]

55–530

SECURING THE FUTURE
Introduction to the Budget Resolution

PRINCIPLES OF THE BUDGET RESOLUTION

The Balanced Budget Act of 1997 completed the first step of an effort to return the Federal Government to its proper role. It reaffirmed the fundamental principle that the government should live within its means. It also produced, last year, the first Federal budget surplus in nearly 3 decades—and did so 4 years ahead of schedule. Chronic deficits have been transformed into growing surpluses.

The opportunity created by this astonishing turnaround must not be squandered. The projected budget surpluses should be used to meet the significant budgetary challenges ahead—such as the retirement of the 78-million-member baby boom generation—and promote the Nation's long-term prosperity in the new century. Therefore, this budget resolution is built on the following seven principles:

—It locks away the entire Social Security Trust Fund surplus for our Nation's elderly—almost $1.8 trillion over 10 years to save, strengthen, and preserve Social Security and, as necessary, Medicare.

—It sets aside $100 billion more than the President's budget proposal to save, strengthen, and preserve Social Security and Medicare.

—It creates a "safe deposit box" to assure the Social Security Trust Funds cannot be raided for other spending. The President's budget, on the other hand, spends $341 billion of the Social Security surplus over 10 years (including government purchases of stock).

—It pays down $450 billion more debt held by the public than the President's budget does.

—It maintains the spending discipline of the 1997 Balanced Budget Act.

—It provides additional resources to properly train, equip, and retain our men and women in uniform.

—It enacts historic tax relief to return working Americans—present tax overpayment.

Because budgeting is about governing, the way Congress budgets now, in an era of surpluses, is just as critical as reaching a balanced budget was. More important than the size of the surplus is how Congress uses this opportunity. The late Professor Aaron Wildavsky put it this way:

> It appears that people are concerned solely about the size of the gap between spending and revenue. The real issue is different: what kind of government are we going to have, and therefore what kind of people are we going to be? Will we balance the budget at much higher levels of revenue and expenditure, or will we balance it at much lower levels of revenue and expenditure? [1]

Professor Wildavsky was talking about deficits, but the real issue has not changed: what kind of government we are going to have and therefore what kind of people we are going to be. The 1997 Balanced Budget Act was coupled with the Taxpayer Relief Act—a pairing that clearly called for lower taxes and less government. It is a philosophy that started with President Reagan, and that has sustained 17 years of growing prosperity, only modestly interrupted by the recession of 1991 and 1992.

That is why this fiscal year 2000 budget is important—for both the present and the future. Projected budget surpluses must not become the pretext for higher levels of spending and bigger government—reversing the successful formula that was reaffirmed less than 2 years ago. Building on the success of the Balanced Budget Act, this budget keeps restraint on government spending and leverages budget surpluses to help assure prosperity and security for the future.

The balance of this introduction reflects the fundamental differences between this budget and the President's spending plan. The two sections that follow discuss the economic and governmental foundations of this budget proposal.

BUDGETING SURPLUSES

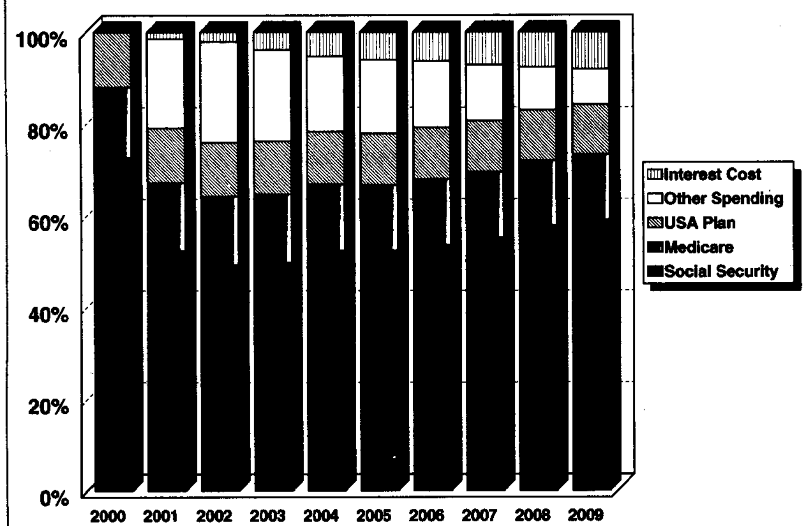
WHAT THE PRESIDENT DOES

Given budget surpluses, the President raises spending, raises taxes, and reserves $100 billion less than the Republican budget for Social Security and Medicare.

[1] Aaron Wildavsky, "If You Can't Budget, How Can You Govern?" from Thinking About America: The United States in the 1900s, edited by Annelise Anderson and Dennis L. Bark.

Figure 1.

How the President Spends the Surplus



His budget for fiscal year 2000 extends taxes at post-World War II high levels, and collects about $730 billion more in taxes than the Republican budget. Moreover, the President proposes about $172 billion in gross tax increases over 10 years, and $1.2 trillion in higher spending. His budget pays down less debt held by the public than if he had submitted no budget at all. It creates 120 new government programs. Even as he claims to be saving funds for Social Security and Medicare, his budget spends $341 billion of the Social Security surplus over 10 years (including government stock purchases) (see Figure 1), and cuts Medicare by $11.9 billion over 5 years. According to the Congressional Budget Office [CBO], the President's budget also breaks the Balanced Budget Act [BBA] spending caps for fiscal year 2000: it proposes $22 billion more in budget authority and $30 billion more in outlays than is allowed under current law.[2]

In short, the President uses the budget surplus to expand the size and scope of government.

WHAT OUR BUDGET DOES

As noted previously, this budget resolution seeks to leverage projected surpluses to meet future budget challenges and to promote the Nation's long-term prosperity. Following the seven principles described at the outset, the major provisions of the budget are the following:

—*Retirement Security*—The budget locks away all of the Social Security Trust Fund surpluses—payroll taxes and interest—for the

[2] Congressional Budget Office, An Analysis of the President's Budgetary Proposals for Fiscal Year 2000: A Preliminary Report, 3 March 1999, p. 6.

Nation's elderly. The reserved funds—almost $1.8 trillion over 10 years—will be available to save, strengthen, and preserve Social Security and Medicare. This is approximately $100 billion more than the $1.68 trillion the President claims to set aside. This budget also rejects the President's $11.9 billion in Medicare cuts, including those he has proposed for certain prescription drugs.

The budget's reserved funds would be held in a "safe deposit box," which could be used only to repay the public debt, unless the Chairman of the Budget Committee activated the "reserve fund" to allow the funds to be used for Social Security or Medicare reform.

—*Debt Reduction*—The budget pays down approximately $1.8 trillion in debt held by the public over 10 years, about $450 billion more than the President. It would reduce debt held by the public from more than $3.6 trillion in 1999 to less than $1.9 trillion in 2009. Under the President's plan, debt held by the public would exceed $2.3 trillion in 2009.

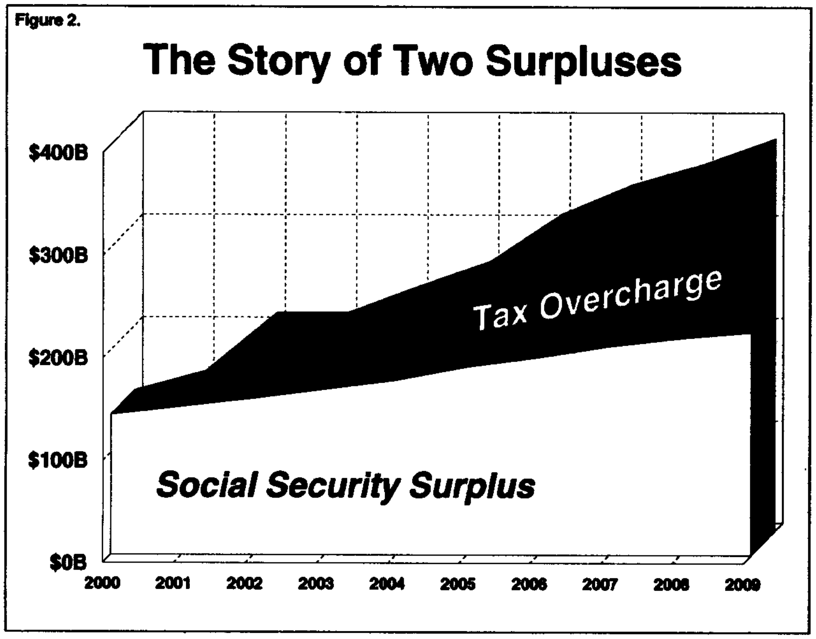
—*Spending Control*—The budget maintains the spending discipline of the bipartisan Balanced Budget Act of 1997.

—*National Defense*—The budget resolution makes national defense a priority, providing approximately $290 billion in discretionary budget authority in fiscal year 2000—an increase of $14.6 billion in budget authority and $6.8 billion in outlays above BBA levels—giving additional resources to properly train, equip, and retain our men and women in uniform.

The U.S. military is facing an unprecedented number of deployments ordered by the administration, including Iraq, Bosnia, and possibly Kosovo. The military branches are failing to meet recruitment goals. Retaining Navy and Air Force pilots is becoming a serious problem. This budget is designed to address these concerns. The President, on the other hand, makes his defense spending increase contingent on enactment of Social Security reform.

—*Tax Relief*—Over the next 10 years, Americans will pay approximately $17 trillion in taxes not counting those for Social Security. More than $800 billion of these non-Social Security taxes will be in excess of the government's projected needs. These are tax overpayments; they should be returned to taxpayers. (See Figure 2.)

Figure 2.



This budget provides for historic tax relief—up to $15 billion in 2000 and about $800 billion over 10 years—to return working Americans' tax overpayment. The President's budget proposal raises taxes by $172 billion over 10 years, and calls for about $730 billion more in taxes than the Republican budget.

Total Federal revenues consume 20.7 percent of America's Gross Domestic Product [GDP] this year, and are expected to match that level during fiscal year 2000. This represents the highest level of tax revenues since 1944. Tax revenues were 17.8 percent of GDP in 1993, the year President Clinton signed his $268-billion tax increase. According to the Census Bureau, Federal income taxes rose from 12.1 percent of the average family's income in 1992 to 14.9 percent in 1997. Total taxes cost the average family more than what they spend on food, shelter, and clothing, according to the Tax Foundation. Returning taxpayers' overpayment is clearly justified.

—*Education*—Education is another priority. The budget resolution provides $22 billion in fiscal year 2000 budget authority for elementary, secondary, and vocational education—$1.2 billion more than the President. Among the key elements:

Special Education—The budget increases Federal funding for the Individuals with Disabilities Education Act [IDEA]. It also includes language allowing the Chairman of the Budget Committee to increase the Appropriations Committee's allocation to allow more IDEA funding, if CBO identifies a greater surplus during the year.

Flexibility to Use Additional Funds—The budget provides States the flexibility to use unspent welfare block grant funds for education.

Dollars to the Classroom—The budget resolution supports the goal of assuring that 95 percent of Federal education dollars reach classrooms.

—*Incomes for Rural America*—This budget provides the necessary funding to ensure that real change in the crop insurance program will occur. The President chose not to address this issue in his budget. Furthermore, he reduces the Export Enhancement Program [EEP] by $578 million over 5 years (according to the administration's figures).

—*Veterans*—The budget resolution recognizes veterans' health care as a priority. It provides a $1.1-billion increase in fiscal year 2000 for veterans' health care. The President provides a mere $27-million increase.

CONCLUSION

As noted above, this budget views the Balanced Budget Act as the first step in addressing long-term budgetary challenges and securing the Nation's long-term prosperity. Now that budget surpluses are in hand, Congress should leverage these funds to help prepare the Nation for the next century.

The seven principles listed at the beginning of this discussion were developed with that goal in mind. They have guided the choices and priorities outlined here. Budgeting is about governing—and the goal of governing, as reflected by this budget, is to secure America's future.

BUDGETING AND GOVERNING
Historical Background of the Budget

The discussion below briefly examines some of the history of how today's economic prosperity and budget surpluses were reached. It is intended to illuminate the philosophical foundations of the budget resolution.

How We Got Here

THE REPUBLICAN APPROACH TO BUDGETING AND GOVERNING

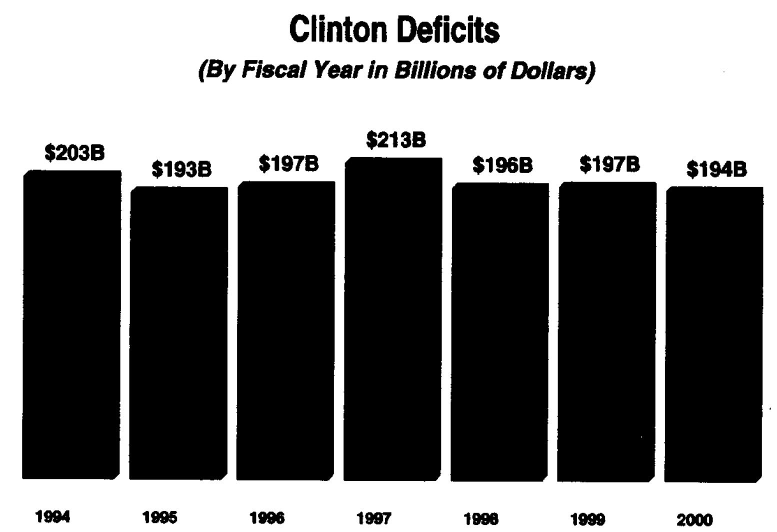
When the Republican congressional majorities arrived in January 1995, the Members faced a Federal budget deficit of $176 billion. The red ink was projected to reach $207 billion the following year, and continue growing every year after that, according to the Congressional Budget Office [CBO].[3] Even the President's own budget, submitted in February that year, foresaw deficits of about $200 billion a year every year as far as the eye could see[4] (see Figure 3).

Following President Reagan's example of less government spending and lower taxes, the Republican Congress that took office at the beginning of 1995 set out not just to restrain spending and reduce deficits, but actually to balance the Federal budget. Although advocates brandished an arsenal of economic projections to justify this goal, American taxpayers understood it—and staunchly supported it—for a more fundamental reason: balancing the budget made sense. The chronic deficit spending of the 1970s and 1980s told taxpayers—who balance their own checkbooks every month—that Congress could not handle their money properly. If Congress could not budget, they came to wonder, then how could Congress govern?

[3] Congressional Budget Office, The Economic and Budget Outlook: Fiscal Years 1996–2000, p. xvi.

[4] Budget of the United States Government—Fiscal Year 1996: Historical Tables, p. 14.

Figure 3.



Source: Budget of U.S. Government, Fiscal Year 1996.

But balancing the budget was only part of a broader strategy of governing. The principle—again consistent with President Reagan's view—involved restoring the power and influence of the people in their States, communities, and neighborhoods. It was a philosophy (called Federalism) that encouraged the Nation to grow from the bottom up, not from Washington down.

An integral part of this approach was tax relief. Budget "experts" in Washington scoffed that balancing the budget and cutting taxes at the same time was contradictory; and Clinton administration officials constantly claimed it would "blow a hole in the deficit." What these critics never understood was that balancing the budget and cutting taxes were two sides of the same coin. By enacting both simultaneously, Congress would empower taxpayers—letting them keep more of their own money—while the Washington government eased its influence on their lives. The twin policies worked together toward the same goal.

Moreover, tax reductions assured spending restraint, by restraining the amount of revenue there was to spend. This notion, too, was born under the administration of President Reagan, as Professor Wildavsky explained:

> President Reagan thought of budgets as political instruments . . . If you took the tax money away, Congress wouldn't have it to spend. Believing the budget was about political economy, not just economic economy, the President radically reversed

the conventional wisdom, which held that spending had to be cut before taxes could be lowered.[5]

INTERIM GAINS

Even before the Balanced Budget Act, the success of the Republican governing strategy became evident through other measures. One shining example was welfare reform. By 1996, a number of States—including Wisconsin, Michigan, Virginia, and California—had begun reforming their welfare policies by obtaining waivers from federally imposed limitations. Their welfare recipients began taking responsibility for their own lives, getting jobs or learning work skills, and quickly leaving the welfare rolls. In 1995 and 1996, Congress sought to spread the benefits of State flexibility nationwide, through the Personal Responsibility and Work Opportunity Reconciliation Act—commonly known as welfare reform. Twice Congress sent welfare reform legislation to the President, and twice he vetoed it. Finally, on Congress's third attempt, the President signed the legislation.

The results speak for themselves: welfare rolls have declined by more than one-third since enactment of the law, and States have amassed about $6 billion in unspent welfare block grant funds. All this occurred because States were empowered to tailor their welfare programs to the needs of their populations, and to expect a degree of personal responsibility on the part of those receiving public assistance.

A second demonstration of State and local initiative has occurred in education. States and localities have taken the lead in pushing reforms. Some now let students transfer out of low-performing schools, or allow State governments to take over failing schools. Forty-three States are drafting new reading and math tests, and 28 are developing history and science tests. Thirty-five States have joined a consortium that, beginning in 2003, will test and license new teachers, and 21 States already have adopted standards that new teachers have to meet to earn licenses. Thirty-four States have passed charter school laws; there are now 1,128 charter schools, serving more than 250,000 students; and 157 more charter schools had been approved as of October 1998. Thirty-six States will publish annual report cards on individual schools this year, or require schools or districts to do so; 13 States require report cards to be sent home to parents. Twenty-six States have halted "social promotion."

Although Federal education dollars fund approximately 7 percent of total State education spending, it takes an average of more than half of each State's education department staff to administer the funds. The Republican Congress has sought to improve education by lessening the States' administrative burden and encouraging the State and local initiatives already under way. Congress has expanded "Ed-Flex," so that all 50 States can waive Federal education regulations and better use Federal aid to address local education priorities. House Members have introduced legislation (H.R. 2) to encourage an increase in the Federal dollars going directly to

[5] Aaron Wildavsky,"If You Can't Budget, How Can You Govern?" from Thinking About America. The United States in the 1990s, edited by Annelise Anderson and Dennis L. Bark.

classrooms and relax public bond regulations so State and local governments can have greater flexibility and lower costs to construct and renovate their schools. Senators Coverdell and Torricelli and Representative Hulshof have reintroduced legislation letting families and relatives, as well as companies and private foundations, invest up to $2,000 a year in after-tax money into "education savings accounts."

Welfare and education are only two areas in which the "bottom-up," Federalist approach has proved successful. But they help demonstrate why this budget resolution seeks to continue promoting State and local innovation in these and other areas.

GETTING TO THE BALANCED BUDGET LAW

Congress suffered 2 years of demagoguery and game-playing by the Clinton administration before the President accepted the inevitability of the Republican approach. In the spring of 1997, he finally joined Congress in developing a balanced-budget tax-reduction plan. The budget blueprint was agreed to in May. In August—4 years after enactment of the Clinton tax increase—Congress passed, and the President signed, the twin bills completing the course correction in governing that President Reagan had started. The two historic bills were the Balanced Budget Act of 1997, and the Taxpayer Relief Act of 1997—enacted in tandem, as had been intended.

The Republican budget strategy clearly has been successful. It sustained and reinforced the economic gains Americans now enjoy—gains that were driven, as they always are, by the positive response of working families and entrepreneurs and investors. The Nation's working people have built an economy that keeps growing, and that keeps defying the "experts."

The coupling of spending restraint and tax reduction yielded a balanced budget within a single year, 4 years ahead of schedule. The official forecasters in both the administration and Congress at first failed to predict the budget surplus, and then underestimated it by amounts in the $100-billion range. They still haven't figured out why tax revenues keep pouring in at higher-than-expected rates. But chronic budget deficits have been transformed into growing budget surpluses.

Again, this is only 4 years after President Clinton predicted budget deficits of $200 billion a year or more as far as the eye could see.

TOWARD LONG-TERM PROSPERITY
Economic Background and Assumptions of the Budget Resolution

THE REPUBLICAN ECONOMY

Three factors have stood out in promoting the economic stability that now exists in the United States: low inflation, declining interest rates, and technology.

According to economist Lawrence A. Kudlow, declining inflation has had a pervasive tax cut effect throughout the economy, boosting real incomes. Today's low inflation is, in fact, the product of a long-term effort that began with the Reagan administration. President Reagan recognized that high inflation punished everyone, and he vowed to reverse the inflationary trend that he inherited when he took office in 1981. Economists long have known that price stability is a necessary foundation for a growing economy.

So are low interest rates. Long-term interest rates have declined from 7.8 percent in January 1995, when the Republican majorities in Congress took office, to approximately 5.0 percent now (see Figure 4). "It has been that decline [in long-term interest rates] which perhaps more than anything else in our economy has been the factor which has been driving this really quite extraordinary . . . economic expansion," says Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System.[6]

Chairman Greenspan also has credited this decline largely to Congress's determined effort to balance the Federal budget. He often advised Congress that financial markets would respond favorably to credible deficit reduction. As the return to a balanced budget was nearing reality, Chairman Greenspan said: "A substantial part . . . of the very considerable decline in long-term interest rates has been a function of the decline in the budget deficit, because it's removed pressures of the Federal Government's borrowing from the marketplace."[7]

The nearly 3-percentage-point decline in interest rates since the beginning of 1995 has had real benefits for working families. It has saved the average family $65,400 on their mortgage, $1,862 on a college loan, and $1,169 on a modest car (see Figure 5). These savings are tantamount to an across-the-board tax cut.

This is the reverse of what happened with President Clinton's 1993 tax bill. A year after his tax increase was enacted, interest rates had moved up about 2.5 percentage points and the trend of

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[6] Testimony to the House Banking and Financial Services Subcommittee on Domestic and International Monetary Policy, 24 February 1998.

[7] Testimony to the House Banking and Financial Services Subcommittee on Domestic and International Monetary Policy, 24 February 1998.

real economic growth slowed. Interest rates peaked on November 7, 1994.

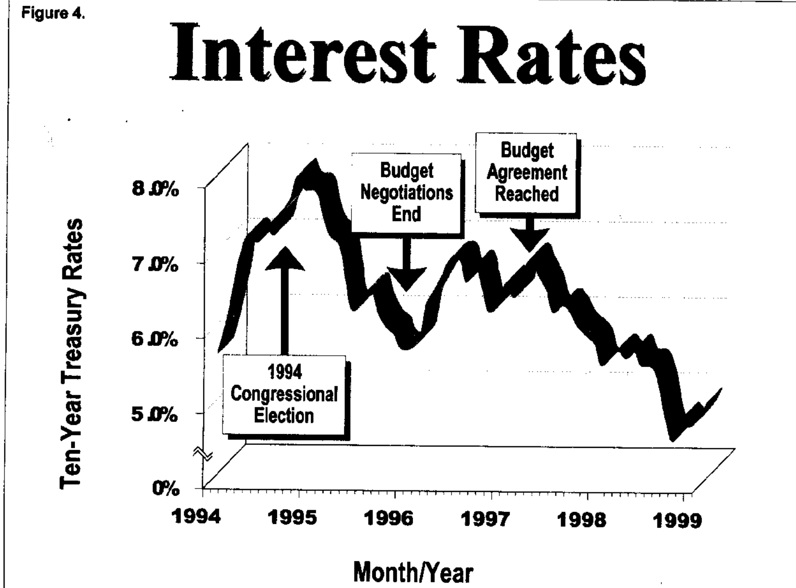
The next day, the Nation's voters set a new direction. On November 8, 1994, voters rejected the failing Clinton-Democrat strategy of high taxes and regulation, and installed Republican majorities in the House and Senate.

By this time, even the President—who had promised to focus on the economy "like a laser"—recognized his 1993 package was not working as planned. His fiscal year 1996 budget (submitted in February 1995) said in part:

> For 1995 as a whole, real GDP growth is expected to average 2.4 percent, well below the 3.6 percent rate assumed for the previous year. The economy is then projected to settle in on the potential rate of real output growth of 2½ percent in 1996 and beyond. As real GDP growth slows during 1995, the unemployment rate is forecast to edge up . . .[8]

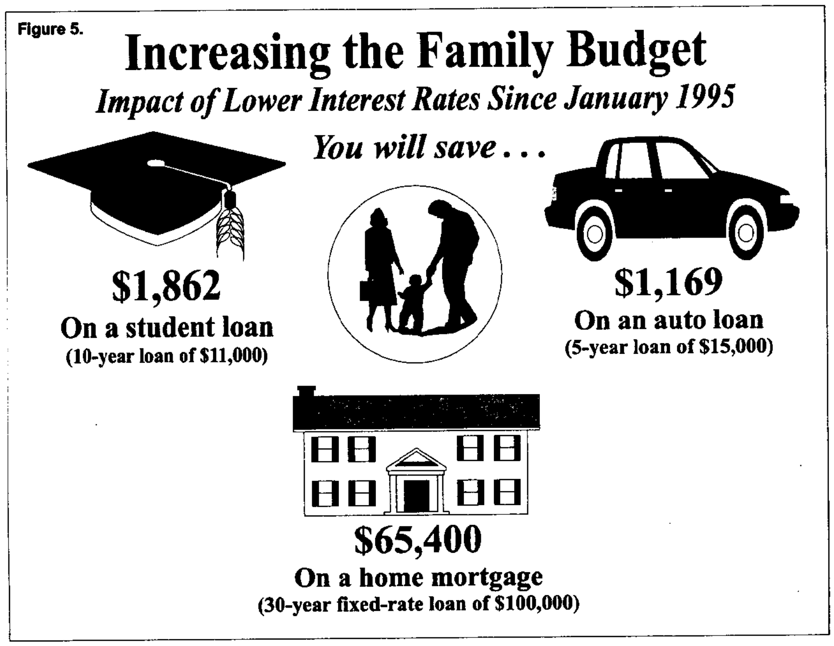
But the arrival of the Republican congressional majorities was greeted by a decline in interest rates that has continued, almost uninterrupted, to this day. The effect was no accident. Republicans had campaigned on a pledge to balance the budget and ease the tax burden. As noted above, Fed Chairman Greenspan had predicted that credible spending restraint would be rewarded with falling interest rates. It was.

Figure 4.



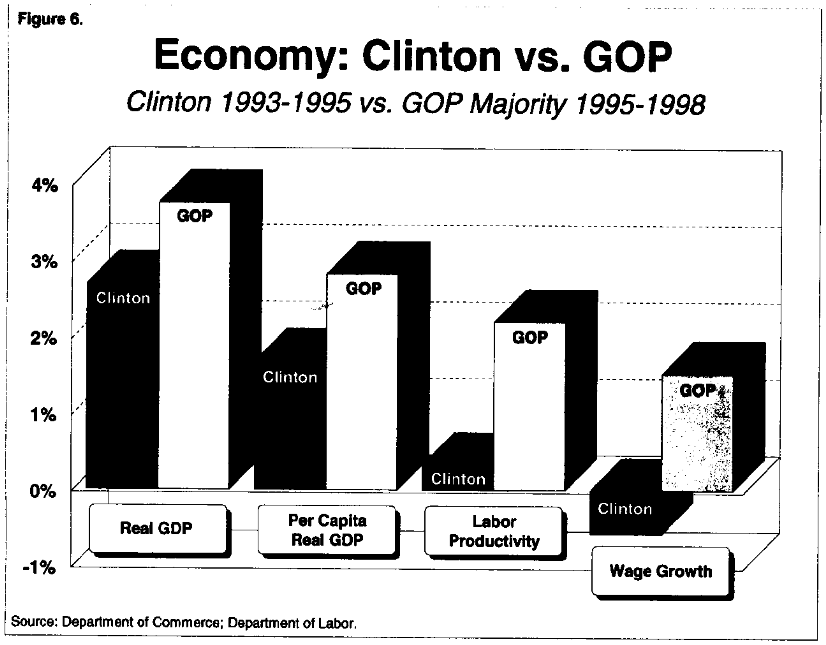
Source: Federal Reserve Board.

[8] Budget of the United States Government: Fiscal Year 1996—Analytical Perspectives, p. 4.



Further, as interest rates declined, economic growth picked up. Far from "settling in" at 2.5 percent, as the President predicted, real Gross Domestic Product [GDP] grew (4th quarter to 4th quarter) 3.9 percent in 1996, 3.8 percent in 1997, and 4.3 percent in 1998. Unemployment has tumbled from 5.6 percent in 1995 to 4.3 percent at the end of last year.

One way to assess the economic effects of different budget policies is to compare major indicators during the 1993–1995 period—which was solely governed by the Clinton-Democrat approach—and during the period since Republicans took control of Congress in January 1995. Some examples (see Figure 6):



—Real GDP grew 2.7 percent in the 1993–1995 period, but increased 3.75 percent from 1995 through 1998.
—Real per-capita GDP increased 1.68 percent in 1993 through 1995, but 2.82 percent for 1995 through 1998.
—Labor productivity picked up a mere 0.33 percent in 1993–1995, but gained 2.2 percent in 1995–1998.
—Real wages actually declined 0.57 percent in 1993–1995, but grew 1.53 percent in 1995–1998.

PART OF A LONGSTANDING TREND

Such economic performance grew not from one Congress or one Federal budget, but from President Reagan's basic philosophy about governing—a framework of economic expansion coupled with spending restraint by the Federal Government.

According to Mr. Kudlow, the Reagan philosophy has produced the longest continuous prosperity of the 20th century. It began, Mr. Kudlow says, in 1982, and was only slowed by a shallow recession in 1990–91; and it has triumphed despite 6 years of the Clinton administration's attempts to raise taxes and expand government.[9]

In this 17-year stretch, according to Kudlow, the economy has experienced the following:

—The second longest stock market boom this century.
—Thirty-nine million new jobs, and 11 million new business startups.

[9] Lawrence A. Kudlow, "The Road to 10000," The Wall Street Journal, 16 March 1999.

—Economic growth at 3.2 percent yearly, and corporate profit growth of 6 percent yearly.
—The creation of $25.7 trillion in new household wealth.

This dynamic economic growth, says Mr. Kudlow, thrived in Reagan-era policies that inspired risk-taking and entrepreneurship " all based on the premise of freedom.

—Inflation has been brought to nearly zero today. The Greenspan policy of disinflation has neutralized the Clinton tax increases.
—Low inflation and lowered capital gains have led to an information technology explosion—fueling even more productivity, growth, and wealth creation.
—Nearly half of all Americans own at least $5,000 worth of stock, bonds, or mutual funds.

The Meaning of Economic Growth

It is important to understand, however, why economic growth is necessary. It is not a matter simply of producing better numbers and higher dollar amounts. It is fundamental to sustaining a free, democratic system.

American families treasure their ability to improve their conditions through their own efforts. This is the foundation of the work ethic on which America has been built, and on which it continues to prosper. This can only occur in a climate of economic growth.

Such a climate also is necessary to maintain support for the democratic system. Michael Novak explains as follows:

> A democratic system depends for its legitimacy . . . upon a sense of equal opportunity. Such legitimacy flows from the belief of all individuals that they can better their condition. This belief can be realized only under the conditions of economic growth. Liberty requires expanse and openness.[10]

Economic growth is not just about numbers. It is about the values on which America and its people thrive.

Review of Economic Developments in 1998

The economy in 1998 continued to perform on a path of high growth and low inflation, despite severe economic downturns abroad, and global financial market turmoil. Real GDP growth again grew about 4 percent, for the third successive year. The unemployment rate is the lowest in 28 years, with 2 and 3/4 million jobs created in 1998. Inflation fell to its lowest levels in several decades. Real compensation also grew, supported by labor productivity gains, which partly reflects the investment boom of the past few years. Budget surpluses for fiscal year 1998 allowed $51 billion in the debt held by the public to be reduced for the first time in a generation. Official budget forecasts now predict surpluses.

Consumer spending benefitted from robust growth in real incomes, employment, and increased wealth.

Sound fiscal and monetary policies contributed to the good results. Fiscal restraint by the Federal Government allowed the Fed

[10] Michael Novak, "The Spirit of Capitalism."

to maintain low interest rates. Labor markets continue to improve, to a monthly unemployment rate of 4.4 percent at the end of 1998, the lowest in a quarter century. This is substantially lower than even the 4.9 percent rate in 1997.

Contrary to expectations, inflation remained under control. The Consumer Price Index [CPI] increased only 1.6 percent in 1998, the lowest in 30 years and half of its pace in 1996. Several factors of the past few years have contributed, including: continued price drops for computers, strength of the dollar, and a continued sharp slowdown in medical care costs.

Housing also has benefitted 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 lead to record home ownership rate, highest since tabulations started 34 years ago. Sales of new homes are nearly the highest since record keeping started in 1963. Yet prices have picked up only slightly.

SUMMARY OF CBO ECONOMIC FORECAST THROUGH 2009

CBO projects real economic growth of 2.3 percent in 1999 and 1.7 percent in 2000, with the trend then turning toward CBO's projected potential growth rate of the economy. Table 1 compares the forecasts of CBO with OMB and the Blue Chip's latest forecasts. As shown, CBO is well below private-sector forecasts.

Typically, as expansions continue, imbalances and weaknesses occur that lead to downturns. Most analysts, and CBO agrees, that there are no obvious signs of imbalance. CBO increased its estimate of labor productivity to an average of 1.8 percent over 1999-2009, much higher than the measured rate since 1973 of 1.1 percent. About half of the difference is due to the increase in capital stock from the investment boom of the past few years.

After 2001, CBO projects the economy will grow between 2.1 percent and 2.4 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.

On income shares (the projected distribution of income among various categories), which are taxed at different rates and so affect calculations of budget forecasts of surpluses, CBO expects that the total share in output of taxable income will decline. CBO accounts for the difference in measured incomes compared to output in part by assuming that incomes will grow slower than total output. CBO also assumes that the average share of taxable income should be lower, as it typically is in a recession. Finally, the large growth in capital stock from the boom in investment in the last four years should increase depreciation which is not taxed.

COMPARISON OF FORECASTS

The CBO economic forecast is typically compared with the administration's Office of Management and Budget [OMB] and the Blue Chip Consensus Forecasts [Blue Chip], an average of 50 private forecasts. In the past 2 years, the Blue Chip has been more optimistic than both CBO and OMB.

In the long term projections, both CBO and OMB project that the economy will return to a long-term trend that is about 2.4 percent for both, with a slight increase in inflation, unchanged from their summer forecasts.

TABLE 1.—COMPARISON OF ECONOMIC ASSUMPTIONS

[Calendar years 1999–2004]

	Actual 1998	Forecast		Projected			
		1999	2000	2001	2002	2003	2004
Real GDP (percent year over year):							
House Budget Committee (HBC)	3.9	2.4	2.0	2.2	2.4	2.4	2.4
CBO	....	2.3	1.7	2.2	2.4	2.4	2.4
OMB	....	2.4	2.0	2.0	2.2	2.4	2.4
Blue Chip	....	3.3	2.2	2.3	2.5	2.5	2.6
GDP Price Index (percent year over year):							
CBO and HBC	1.0	1.7	2.0	2.1	2.1	2.1	2.1
OMB	....	1.5	2.1	2.1	2.1	2.1	2.1
Blue Chip	....	1.3	1.8	2.2	2.2	2.1	2.2
Consumer Price Inflation (percent year over year):							
CBO and HBC	1.5	2.5	2.6	2.6	2.6	2.6	2.6
OMB	....	2.2	2.3	2.3	2.3	2.3	2.3
Blue Chip	....	1.9	2.3	2.5	2.5	2.5	2.5
Unemployment Rate (annual rate):							
CBO and HBC	4.5	4.6	5.1	5.4	5.6	5.7	5.7
OMB	....	4.8	5.0	5.3	5.3	5.3	5.3
Blue Chip	....	4.4	4.6	5.0	5.1	5.1	5.1
3-month Treasury Bills rate (annual rate):							
CBO and HBC	4.8	4.5	4.5	4.5	4.5	4.5	4.5
OMB	....	4.2	4.3	4.3	4.4	4.4	4.4
Blue Chip	....	4.5	4.6	4.8	4.7	4.6	4.7
10-year Treasury Note rate (annual rate):							
CBO and HBC	5.3	5.1	5.3	5.4	5.4	5.4	5.4
OMB	....	4.9	5.0	5.2	5.3	5.4	5.4
Blue Chip	....	5.0	5.2	5.4	5.5	5.4	5.5
Corporate (Economic) Profits (percent of GDP):							
CBO and HBC	9.7	9.2	8.5	8.5	8.6	8.6	8.6
OMB	....	9.3	9.0	8.9	8.9	8.9	8.9
Wage and Salary (percent of GDP):							
CBO and HBC	48.8	49.3	49.7	49.5	49.3	49.2	49.1
OMB	....	49.2	49.2	49.1	48.9	48.8	48.8

Sources: CBO, OMB, Blue Chip Economic Indicators (March 10, 1999).

ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION

Economic growth figures in the forecast period do not reflect the improvement in the economy since the forecasts were made. Economic statistics available since these official forecasts show the economy maintaining its high growth with a low inflation path. Consequently, most forecasts have been revised upward. CBO's forecast is now substantially below other forecasts for 1999 and 2000. The Blue Chip forecasts, for example, show much bigger improvements in real GDP, by 1.0 percent for 1999 and 0.5 percent for 2000.

At the March 3 hearing before the Budget Committee, the Director of the Congressional Budget Office was asked whether the surplus for fiscal year 2000 might be larger than currently projected. His response was "yes."

In the past, when there have been particularly large deviations from the official forecasts due to new data, the Committee has applied appropriate updates. Therefore, the budget resolution assumptions below have been modified to prudently reflect a slightly stronger near-term economy than CBO—by 0.1 percentage points for 1999 and 0.3 percentage points for 2000. This results in a slightly higher level of revenues, totaling about $10 billion over the three years from 1999 to 2001.

These changes are relatively minor, and are small compared to the typical revision between forecasts. The resolution retains CBO's forecast with regard to other variables, and also retains CBO's long-term projections.

TABLE 2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION

[Calendar years 1999—2009]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Real GDP (percent year over year)	2.4	2.0	2.2	2.4	2.4	2.4	2.4	2.4	2.3	2.3	2.3
GDP Price Index (percent year over year)	1.7	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Consumer Price Inflation (percent year over year)	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Unemployment Rate (annual rate)	4.6	5.1	5.4	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.7
3-month Treasury Bills rate (annual rate)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
10-year Treasury Note rate (annual rate)	5.1	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
Corporate Profits Income Share (percent of GDP)	9.2	8.5	8.5	8.6	8.6	8.6	8.6	8.5	8.4	8.3	8.2
Wage and Salary Income Share (percent of GDP)	49.3	49.7	49.5	49.3	49.2	49.1	49.1	49.1	49.1	49.1	49.1

FUNCTION-BY-FUNCTION PRESENTATION

Please note the following:

—In the tables accompanying these functional presentations, numbers may not add due to rounding.

—Because the fiscal year 2000 budget will be in balance without counting Social Security, the functional totals shown exclude Social Security revenues and benefit payments, as well as other amounts designated as “off budget.”

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 $290.0 billion in budget authority [BA] and $275.8 billion in outlays in fiscal year 2000, and $3,210.6 billion in BA and $3,059.9 billion in outlays over 10 years. Mandatory spending would be −$1.2 billion in BA and outlays in fiscal year 2000, and −$10.0 billion in BA and −$10.1 billion in outlays over 10 years.

Function 050: National Defense

[in billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	288.8	1,546.1	3,200.7
Outlays	274.6	1,469.3	3,049.9

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 $16.4 billion in budget authority [BA] and $18.1 billion in outlays in fiscal year 2000. The 10-year spending totals are $155.4 billion in BA and $165.8 billion in outlays. Mandatory spending in this function would be −$5.2 billion in BA and −$3.7 billion in outlays in fiscal year 2000, and −$29.2 billion in BA and −$32.7 billion in outlays over 10 years.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	11.2	56.7	126.2
Outlays	14.5	70.9	133.1

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 high-energy and nuclear physics research programs of the Department of Energy [DOE]. But the largest component of the function—about 71 percent of its total outlays—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 $17.9 billion in budget authority [BA] and $18.2 billion in outlays in fiscal year 2000. The 10-year spending totals are $179.0 billion in BA and $177.7 billion in outlays. Mandatory spending in this function would be $100 million in BA and outlays in fiscal year 2000, and $200 million in BA and $300 million in outlays over 10 years.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	18.0	89.6	179.1
Outlays	18.2	89.6	178.6

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; electric power generation and transmission programs for the three Power Marketing Administrations; and power generation and transmission programs of the Tennessee Valley Authority [TVA]. 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 $1.8 billion in budget authority [BA] and $2.6 billion in outlays in fiscal year 2000, and $17.5 billion in BA and $18.7 billion in outlays over 10 years. Mandatory spending in this function would be −$1.8 billion in BA and −$3.2 billion in outlays in fiscal year 2000, and −$21.1 billion in BA and −$33.1 billion in outlays over 10 years.

FUNCTION 270: ENERGY

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	0.0	−2.0	−3.7
Outlays	−0.7	−7.5	−14.1

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

The Budget Committee recognizes the importance of stewardship and management of our National Wildlife Refuges, National Forests, National Parks, and Bureau of Land Management Lands, and for continued permanent protection of land, water, and recreational opportunities through the Land and Water Conservation Fund. In addition, the budget resolution assumes that the program of Pacific Northwest salmon recovery ought to be made a high priority item as the appropriate committees in Congress create their priorities.

For discretionary spending, the budget resolution calls for $22.0 billion in budget authority [BA] and $21.9 billion in outlays in fiscal year 2000. The 10-year spending totals are $226.8 billion in BA and $224.8 billion in outlays. Mandatory spending in this function would be $800 million in BA and outlays in fiscal year 2000, and $5.6 billion in BA and $5.0 billion in outlays over 10 years.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

[In billions of dollars)]

	2000	2000–2004	2000–2009
Budget Authority	22.8	113.7	232.2
Outlays	22.6	112.1	229.5

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

It is the intent of the Budget Committee that Function 350 allow for the implementation of a new, comprehensive, flexible crop insurance program for all geographic regions of the country. To assist in reforming the current crop insurance program, the budget resolution provides $6 billion in mandatory spending through fiscal year 2004. The Budget Committee will work with the Agriculture Committee to ensure the crop insurance program fits within the budget.

For discretionary spending, the budget resolution calls for $3.9 billion in budget authority [BA] and $4.0 billion in outlays in fiscal year 2000. The 10-year spending totals are $36.5 billion in BA and $36.7 billion in outlays. Mandatory spending in this function would be $10.4 billion in BA and $9.1 billion in outlays in fiscal year 2000, and $80.3 billion in BA and $65.0 billion in outlays over 10 years.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	14.3	63.7	117.3
Outlays	13.2	55.3	101.8

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 net postal service spending and 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.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget discretionary spending, the budget resolution calls for $3.7 billion in budget authority [BA] and $3.9 billion in outlays in fiscal year 2000. The 10-year spending totals are $21.1 billion in BA and $20.9 billion in outlays. On-budget mandatory spending in this function would be $6.1 billion in BA and $600 million in outlays in fiscal year 2000, and $106.2 billion in BA and $65.5 billion in outlays over 10 years.

(Please note: because the budget now is balanced without counting Social Security, the figures below reflect totals excluding Social Security revenues and benefits, as well as other amounts designated as "off budget.")

FUNCTION 370: COMMERCE AND HOUSING CREDIT (on-budget)

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	9.9	63.4	127.4
Outlays	4.5	41.8	86.5

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 $12.2 billion in budget authority [BA] and $43.4 billion in outlays in fiscal year 2000. The 10-year spending totals are $113.8 billion in BA and $445.5 billion in outlays. Mandatory spending in this function would be $39.5 billion in BA and $2.4 billion in outlays in fiscal year 2000, and $406.0 billion in BA and $18.6 billion in outlays over 10 years.

FUNCTION 400: TRANSPORTATION

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	51.8	258.2	520.0
Outlays	45.8	233.9	464.2

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 $7.4 billion in budget authority [BA] and $11.1 billion in outlays in fiscal year 2000. The 10-year spending totals are $57.4 billion in BA and $66.1 billion in outlays. Mandatory spending in this function would be $0 in BA and −$500 million in outlays in fiscal year 2000, and $0 in BA and −$5.5 billion in outlays over 10 years.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	7.4	29.3	57.3
Outlays	10.7	38.4	60.7

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

FUNCTION SUMMARY

Roughly one-third 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 21 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

SUBFUNCTION 501: ELEMENTARY AND SECONDARY EDUCATION

For discretionary spending, the budget resolution calls for $22.0 billion in budget authority [BA] and $20.1 billion in outlays in fiscal year 2000, and $257.9 billion in BA and $248.9 billion in outlays over 10 years. There is no mandatory spending in this subfunction.

The $22 billion in fiscal year 2000 budget authority for elementary, secondary, and vocational education is $1.2 billion more than the President's request for fiscal year 2000.

SUBFUNCTION 501: EDUCATION

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	22.0	123.4	257.9
Outlays	20.1	114.8	248.9

Among the key elements in the resolutions assumptions are the following:

The Committee considers special education of the highest priority among Federal education programs. The Federal Government has mandated that all children with disabilities have access to a free and appropriate public education. Although the Individuals with Disabilities Education Act [IDEA] authorized the Federal Government to provide 40 percent of the average per-pupil expenditure for children with disabilities, IDEA has not received full funding at its authorized levels. To relieve the enormous burden this unfunded mandate places on local schools, the Committee supports increased funding for IDEA. Furthermore, the Committee believes that before the Federal Government pursues new spending initiatives, it should strive to meet its current commitment to help local communities fund special education.

The budget provides States the flexibility to use unspent welfare block grant funds (from Function 600) for education. The budget resolution also includes Sense of the House language supporting a requirement that 95 percent of Federal elementary and secondary education funds reach classrooms.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

SUBFUNCTIONS 502–506: TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

For discretionary spending, the budget resolution calls for $28.1 billion in budget authority [BA] and $28.2 billion in outlays in fiscal year 2000, and $261.9 billion in BA and $259.0 billion in outlays over 10 years. Mandatory spending in this function would be $15.2 billion in BA and $15.3 billion in outlays in fiscal year 2000, and $177.2 billion in BA and $173.6 billion in outlays over 10 years.

SUBFUNCTIONS 502–506: TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	43.3	211.6	438.6
Outlays	43.5	210.5	432.6

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

The budget resolution assumes that the current authority for the Federal Government to recoup monies from the States' tobacco settlement will be overturned.

For discretionary spending, the budget resolution calls for $29.3 billion in budget authority [BA] and $28.3 billion in outlays in fiscal year 2000. The 10-year spending totals are $271.7 billion in BA and $267.1 billion in outlays. Mandatory spending in this function would be $126.9 billion in BA and $124.7 billion in outlays in fiscal year 2000, and $1,842.7 billion in BA and $1,841.5 billion in outlays over 10 years.

FUNCTION 550: HEALTH

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	156.2	876.2	2,114.4
Outlays	153.0	873.0	2,108.7

Function 570: Medicare

FUNCTION SUMMARY

This budget 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 also 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. Such plans may add benefits and cover premiums, copayments, and deductibles required by the traditional Medicare Program.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The budget resolution rejects the President's $11.9 billion in Medicare cuts, including those he has proposed for certain prescription drugs.

For discretionary spending, the budget resolution calls for $3.0 billion in budget authority [BA] and outlays in fiscal year 2000, and $30.0 billion in BA and outlays over 10 years. Mandatory spending in this function would be $205.7 billion in BA and outlays in fiscal year 2000, and $2,850.6 billion in BA and $2,850.3 billion in outlays over 10 years.

FUNCTION 570: MEDICARE

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	208.7	1,180.7	2,880.4
Outlays	208.7	1,180.8	2,880.1

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

As noted under subfunction 501, the budget resolution assumes that States will be granted flexibility to use a portion of unspent TANF block grant funds for education.

For discretionary spending, the budget resolution calls for $28.7 billion in budget authority [BA] and $39.4 billion in outlays in fiscal year 2000. The 10-year spending totals are $339.3 billion in BA and $399.3 billion in outlays. Mandatory spending in this function would be $215.7 billion in BA and $208.7 billion in outlays in fiscal year 2000, and $2,553.4 billion in BA and $2,512.5 billion in outlays over 10 years.

FUNCTION 600: INCOME SECURITY

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	244.4	1,320.8	2,892.8
Outlays	248.1	1,335.3	2,911.8

Function 650: Social Security

FUNCTION SUMMARY

Function 650 consists of the Social Security Program, or Old Age, Survivors, and Disability Insurance [OASDI]. Under provisions of the Budget Enforcement Act, Social Security trust funds are "off-budget." Nevertheless, the administrative expenses of the Social Security Administration [SSA], which manages the program, are on-budget. Social Security is the largest budget function in terms of total outlays, and provides funds for the government's largest entitlement program; but the "on-budget" totals " the ones reflected below—are relatively small.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget discretionary spending, the budget resolution calls for $3.2 billion in budget authority [BA] and $3.3 billion in outlays in fiscal year 2000. The 10-year on-budget totals are $32.0 billion in BA and $31.2 billion in outlays. On-budget mandatory spending in this function would be $11.1 billion in BA and outlays in fiscal year 2000, and $145.3 billion in BA and outlays over 10 years.

(Please note: Because the budget is balanced without counting Social Security, the figures below reflect totals excluding Social Security revenues and benefits.)

FUNCTION 650: SOCIAL SECURITY (on-budget)

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	14.2	77.0	177.0
Outlays	14.3	77.1	177.0

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 are about 25.6 million veterans and more than 40 million members of their families.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The budget provides a $1.1 billion-increase in fiscal year 2000 for veterans' health care. The Budget Committee believe veterans' health care should be a priority during fiscal year 2000.

For discretionary spending, the budget resolution calls for $20.2 billion in budget authority [BA] and $20.4 billion in outlays in fiscal year 2000. The 10-year spending totals are $190.9 billion in BA and $191.3 billion in outlays. Mandatory spending in this function would be $24.5 billion in BA and $24.6 billion in outlays in fiscal year 2000, and $276.3 billion in BA and $278.9 billion in outlays over 10 years.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	44.7	225.8	467.3
Outlays	45.1	228.3	470.3

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 $23.1 billion in budget authority [BA] and $25.1 billion in outlays in fiscal year 2000. The 10-year spending totals are $242.3 billion in BA and $245.3 billion in outlays. Mandatory spending in this function would be $300 million in BA and $200 million in outlays in fiscal year 2000, and $13.2 billion in BA and $12.1 billion in outlays over 10 years.

FUNCTION 750: ADMINISTRATION OF JUSTICE

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	23.4	123.6	255.7
Outlays	25.3	125.8	257.2

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 $11.4 billion in budget authority [BA] and $12.3 billion in outlays in fiscal year 2000. The 10-year spending totals are $111.2 billion in BA and $112.1 billion in outlays. Mandatory spending in this function would be $900 million in BA and $1.2 billion in outlays in fiscal year 2000, and $9.8 billion in BA and $10.2 billion in outlays over 10 years.

FUNCTION 800: GENERAL GOVERNMENT

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	12.3	60.5	121.3
Outlays	13.5	62.8	122.4

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. Because the budget is balanced without counting Social Security, the figures below reflect totals excluding Social Security.

FUNCTION 900: NET INTEREST (on-budget)

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	275.5	1,342.4	2,626.4
Outlays	275.5	1,342.4	2,226.4

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 −$8.0 billion in budget authority [BA] and −$8.1 billion in outlays in fiscal year 2000. The 10-year spending totals are −$56.7 billion in BA and −$78.7 billion in outlays. There is no mandatory spending in this function.

FUNCTION 920: ALLOWANCES

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	−8.0	−31.8	−56.7
Outlays	−8.1	−50.8	−78.7

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 −$34.3 billion in BA and outlays in fiscal year 2000, and −$388.6 billion in BA and outlays over 10 years.

(Please note: because the budget is balanced without counting Social Security, the figures below reflect totals excluding Social Security.)

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS (on-budget)

[In billions of dollars]

	2000	2000–2004	2000–2009
Budget Authority	−34.3	−188.9	−388.6
Outlays	−34.3	−188.9	−388.6

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

In addition to the need to continue restraining the growth of government—there are other reasons why tax relief now is important.

Total Federal revenues are at 20.7 percent of Gross Domestic Product [GDP] this year. This is the highest level of tax revenues since 1944. Tax revenues were 17.8 percent of GDP in 1993, the year President Clinton signed his $268-billion tax increase.

According to the Census Bureau, Federal income taxes rose from 12.1 percent of the average family's income in 1992 to 14.9 percent in 1997. Total taxes cost the average family more than what they spend on food, shelter, and clothing, according to the Tax Foundation.

The budget resolution provides for historic tax relief—up to $15 billion in 2000 and about $800 billion over 10 years—to return working Americans' current tax overpayment. The President raises taxes by $172 billion over 10 years.

(Please note: Because the budget is balanced without counting Social Security, the figures below reflect totals excluding Social Security revenues, as well as other amounts designated as "off budget.")

REVENUES (on-budget)

[In billions of dollars]

	2000	2000–2004	2000–2009
Total Revenues	1,408.5	7,416.8	16,155.7

SUMMARY TABLES

HOUSE BUDGET COMMITTEE RECOMMENDATION—TOTAL SPENDING AND REVENUES

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
SUMMARY													
Total Spending:													
BA	1,749.1	1,753.6	1,795.6	1,836.8	1,920.5	1,987.0	2,055.1	2,101.7	2,172.7	2,251.9	2,333.9	9,293.5	20,208.8
O	1,703.9	1,735.1	1,774.8	1,804.6	1,894.7	1,959.2	2,028.1	2,071.1	2,136.4	2,219.3	2,300.8	9,168.4	19,924.1
On-Budget:													
BA	1,432.8	1,426.6	1,456.1	1,487.3	1,558.3	1,611.7	1,665.6	1,697.0	1,752.2	1,813.8	1,874.4	7,540.0	16,343.0
O	1,387.6	1,408.1	1,435.3	1,455.1	1,532.5	1,583.9	1,638.6	1,666.4	1,715.9	1,781.2	1,841.3	7,414.9	16,058.3
Off-Budget:													
BA	316.3	327.0	339.5	349.5	362.2	375.3	389.5	404.7	420.5	438.1	459.5	1,753.5	3,865.8
O	316.3	327.0	339.5	349.5	362.2	375.3	389.5	404.7	420.5	438.1	459.5	1,753.5	3,865.8
Revenues:													
Total	1,816.1	1,876.5	1,923.0	1,962.6	2,059.9	2,134.0	2,227.8	2,286.2	2,361.5	2,457.2	2,548.8	9,956.0	21,837.5
On-Budget	1,369.9	1,408.5	1,435.3	1,456.3	1,532.6	1,584.1	1,651.0	1,684.4	1,733.2	1,802.8	1,867.5	7,416.8	16,155.7
Off-Budget	446.2	468.0	487.7	506.3	527.3	549.9	576.8	601.8	628.3	654.4	681.3	2,539.2	5,681.8
Surplus/Deficit (−):													
Total	112.2	141.4	148.2	158.0	165.2	174.8	199.7	215.1	225.1	237.9	248.0	787.6	1,913.4
On-Budget	−17.7	0.4	0	1.2	0.1	0.2	12.4	18.0	17.3	21.6	26.2	1.9	97.4
Off-Budget	129.9	141.0	148.2	156.8	165.1	174.6	187.3	197.1	207.8	216.3	221.8	785.7	1,816.0
Debt Held by the Public (end of year)	3,626.8	3,501.8	3,369.3	3,227.4	3,076.2	2,918.6	2,733.1	2,531.5	2,319.0	2,092.4	1,855.7	NA	NA
Debt Subject to Limit (end of year)	5,543.6	5,627.7	5,707.7	5,791.5	5,875.0	5,954.8	6,019.6	6,075.4	6,128.7	6,168.1	6,198.1	NA	NA
BY FUNCTION													
National Defense (050):													
BA	279.0	288.8	303.6	308.2	318.3	327.2	328.4	329.6	330.9	332.2	333.5	1,546.1	3,200.7
O	273.1	274.6	285.9	291.7	303.6	313.5	316.7	315.1	313.7	317.1	318.0	1,469.3	3,049.9
International Affairs (150):													
BA	34.4	11.2	10.6	9.8	11.6	13.5	13.7	13.9	13.9	14.0	14.0	56.7	126.2
O	14.8	14.5	15.1	14.4	13.6	13.3	12.9	12.6	12.4	12.2	12.1	70.9	133.1
General Science, Space, and Technology (250):													
BA	18.8	18.0	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	89.6	179.1
O	18.2	18.2	17.9	17.9	17.8	17.8	17.8	17.8	17.8	17.8	17.8	89.6	178.6
Energy (270):													
BA	1.1	0.0	−1.4	−0.2	−0.1	−0.3	−0.4	−0.5	−0.5	−0.2	−0.1	−2.0	−3.7
O	0.7	−0.7	−3.1	−1.1	−1.2	−1.4	−1.5	−1.5	−1.4	−1.1	−1.1	−7.5	−14.1

Natural Resources and Environment (300):													
BA	24.2	22.8	22.5	22.4	22.5	23.5	23.5	23.6	23.7	23.7	24.0	113.7	232.2
O	23.4	22.6	22.0	21.4	22.6	23.5	23.4	23.5	23.4	23.4	23.7	112.1	229.5
Agriculture (350):													
BA	22.5	14.3	13.5	11.8	12.0	12.1	10.6	10.6	10.7	10.8	10.9	63.7	117.3
O	20.4	13.2	11.3	10.0	10.3	10.5	9.9	9.1	9.1	9.2	9.2	55.3	101.8
Commerce and Housing Credit (370):													
BA	1.9	9.7	10.3	13.9	14.5	13.9	12.7	12.6	12.7	12.6	13.4	62.3	126.3
O	0.8	4.3	5.5	9.6	10.9	10.4	9.4	9.1	8.9	8.5	8.8	40.7	85.4
On-budget:													
BA	1.9	9.9	10.6	14.5	14.5	13.9	12.7	12.6	12.7	12.6	13.4	63.4	127.4
O	0.8	4.5	5.8	10.2	10.9	10.4	9.4	9.1	8.9	8.5	8.8	41.8	86.5
Off-budget:													
BA	0.0	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−1.1	−1.1
O	0.0	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−1.1	−1.1
Transportation (400):													
BA	51.3	51.8	51.0	50.8	52.3	52.3	52.3	52.3	52.4	52.4	52.4	258.2	520.0
O	44.0	45.8	47.7	47.3	46.8	46.3	46.1	46.0	46.0	46.1	46.1	233.9	464.2
Community and Regional Development (450):													
BA	10.2	7.4	5.3	5.3	5.7	5.6	5.6	5.6	5.6	5.6	5.6	29.3	57.3
O	11.4	10.7	9.1	7.0	6.1	5.5	4.8	4.5	4.4	4.3	4.3	38.4	60.7
Elementary and Secondary Education (501):													
BA	16.8	22.0	24.1	24.5	25.9	26.9	26.9	26.9	26.9	26.9	26.9	123.4	257.9
O	17.8	20.1	21.9	22.7	24.5	25.6	26.6	26.8	26.9	26.9	26.9	114.8	248.9
Training, Employment and Social Services (502–506):													
BA	44.2	43.3	41.4	41.2	42.7	43.0	43.9	44.6	45.5	46.5	46.5	211.6	438.6
O	42.0	43.5	41.9	40.9	41.9	42.3	42.9	43.7	44.5	45.5	45.5	210.5	432.6
Health (550):													
BA	147.5	156.2	164.1	173.3	184.7	197.9	212.8	228.4	246.3	265.2	285.5	876.2	2,114.4
O	140.7	153.0	162.4	173.8	185.3	198.5	212.6	228.3	245.5	264.4	284.9	873.0	2,108.7
Medicare (570):													
BA	195.2	208.7	222.1	230.6	250.7	268.6	295.6	306.8	337.6	365.6	394.1	1,180.7	2,880.4
O	194.6	208.7	222.3	230.2	250.9	268.7	295.2	306.9	337.8	365.2	394.2	1,180.8	2,880.1
Income Security (600):													
BA	235.2	244.4	250.5	262.7	277.0	286.2	298.5	304.8	310.6	323.9	334.2	1,320.8	2,892.8
O	238.2	248.1	257.4	267.0	276.8	286.0	298.7	305.2	311.5	325.4	335.7	1,335.3	2,911.8
Social Security (650):													
BA	390.6	407.2	426.1	445.9	467.0	489.8	514.6	540.9	568.7	599.0	633.6	2,236	5,092.8
O	390.8	407.3	426.1	445.9	467.0	489.8	514.5	540.9	568.7	599.0	633.6	2,236.1	5,092.8

HOUSE BUDGET COMMITTEE RECOMMENDATION—TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
On-budget:													
BA	14.5	14.2	13.8	15.6	16.3	17.1	18.0	18.9	19.9	21.0	22.2	77.0	177.0
O	14.7	14.3	13.8	15.6	16.3	17.1	17.9	18.9	19.9	21.0	22.2	77.1	177.0
Off-budget:													
BA	376.1	393.0	412.3	430.3	450.7	472.7	496.6	522.0	548.8	578.0	611.4	2,159.0	4,915.8
O	376.1	393.0	412.3	430.3	450.7	472.7	496.6	522.0	548.8	578.0	611.4	2,159.0	4,915.8
Veterans Benefits and Services (700):													
BA	43.0	44.7	44.3	44.7	45.9	46.2	48.8	47.3	47.8	48.5	49.1	225.8	467.3
O	42.9	45.1	45.0	45.1	46.4	46.7	49.3	47.8	46.2	49.0	49.7	228.3	470.3
Administration of Justice (750):													
BA	26.7	23.4	24.7	24.7	24.6	26.2	26.3	26.4	26.4	26.5	26.5	123.6	255.7
O	25.1	25.3	25.1	24.9	24.4	26.1	26.2	26.2	26.3	26.3	26.4	125.8	257.2
General Government (800):													
BA	17.2	12.3	11.9	12.1	12.1	12.1	12.1	12.1	12.2	12.2	12.2	60.5	121.3
O	15.7	13.5	12.6	12.3	12.2	12.2	11.9	11.8	11.9	12.1	11.9	62.8	122.4
Net Interest (900):													
BA	229.4	217.7	207.0	196.3	186.4	176.5	165.2	153.3	141.5	128.5	115.4	983.9	1,687.8
O	229.4	217.7	207.0	196.3	186.4	176.5	165.2	153.3	141.5	128.5	115.4	983.9	1,687.8
On-budget:													
BA	281.8	275.5	271.0	267.4	265.1	263.4	261.0	258.6	257.0	254.7	252.7	1,342.4	2,626.4
O	281.8	275.5	271.0	267.4	265.1	263.4	261.0	258.6	257.0	254.7	252.7	1,342.4	2,626.4
Off-budget:													
BA	−52.4	−57.8	−64.0	−71.1	−78.7	−86.9	−95.8	−105.3	−115.5	−126.2	−137.3	−358.5	−938.6
O	−52.4	−57.8	−64.0	−71.1	−78.7	−86.9	−95.8	−105.3	−115.5	−126.2	−137.3	−358.5	−938.6
Allowances (920):													
BA	0.0	−8.0	−8.5	−6.4	−4.4	−4.5	−4.5	−4.6	−5.2	−5.3	−5.3	−31.8	−56.7
O	0.0	−8.1	−12.9	−20.0	−4.8	−5.0	−5.1	−5.2	−5.8	−5.9	−5.9	−50.8	−78.7
Undistributed Offsetting Receipts (950):													
BA	−40.1	−42.3	−45.4	−52.7	−46.8	−47.6	−49.4	−50.8	−52.9	−54.6	−56.4	−234.8	−498.9
O	−40.1	−42.3	−45.4	−52.7	−46.8	−47.6	−49.4	−50.8	−52.9	−54.6	−56.4	−234.8	−498.9
On-budget:													
BA	−32.7	−34.3	−36.9	−43.6	−37.0	−37.1	−38.1	−38.8	−40.1	−40.9	−41.8	−188.9	−388.6
O	−32.7	−34.3	−36.9	−43.6	−37.0	−37.1	−38.1	−38.8	−40.1	−40.9	−41.8	−188.9	−388.6

Off-budget:													
BA	−7.4	−8.0	−8.5	−9.1	−9.8	−10.5	−11.3	−12.0	−12.8	−13.7	−14.6	−45.9	−110.3
O	−7.4	−8.0	−8.5	−9.1	−9.8	−10.5	−11.3	−12.0	−12.8	−13.7	−14.6	−45.9	−110.3

HOUSE BUDGET COMMITTEE RECOMMENDATION
DISCRETIONARY SPENDING
[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
SUMMARY													
Total Discretionary Spending:													
BA	572.8	536.3	541.3	550.4	568.6	580.6	581.9	583.1	583.8	585.0	586.5	2,777.2	5,697.5
O	574.1	570.9	571.0	567.0	592.9	602.5	605.2	603.1	600.8	603.9	604.8	2,904.3	5,922.1
Defense:													
BA	280.1	290.0	304.8	309.3	319.4	328.1	329.3	330.5	331.8	333.1	334.3	1,551.6	3,210.6
O	274.2	275.8	287.1	292.8	304.7	314.4	317.6	316	314.6	318	318.9	1,474.8	3,059.9
Nondefense:													
BA	292.7	246.3	236.6	241.1	249.3	252.5	252.6	252.6	252.0	252.0	252.1	1,225.8	2,487.1
O	299.9	295.2	283.9	274.2	288.2	288.1	287.6	287.1	286.2	285.9	285.9	1,429.6	2,862.3
BY FUNCTION													
National Defense (050):													
BA	280.1	290.0	304.8	309.3	319.4	328.1	329.3	330.5	331.8	333.1	334.3	1,551.5	3,210.6
O	274.2	275.8	287.1	292.8	304.7	314.4	317.6	316.0	314.6	318.0	318.9	1,474.8	3,059.9
International Affairs (150):													
BA	39.4	16.4	15.4	15.0	15.0	15.9	15.8	15.7	15.5	15.4	15.3	77.7	155.4
O	18.7	18.1	18.7	17.8	16.9	16.5	16.0	15.8	15.5	15.3	15.2	87.9	165.8
General Science, Space, and Technology (250):													
BA	18.8	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	17.9	89.4	179.0
O	18.2	18.2	17.8	17.8	17.7	17.7	17.7	17.7	17.7	17.7	17.7	89.3	177.7
Energy (270):													
BA	3.0	1.8	0.5	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	8.0	17.5
O	3.2	2.6	0.8	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	9.3	18.7
Natural Resources and Environment (300):													
BA	23.5	22.0	22.0	22.0	22.0	23.0	23.1	23.1	23.2	23.2	23.2	111.0	226.8
O	22.7	21.9	21.4	21.0	22.1	23.1	23.1	23.1	23.0	23.0	23.1	109.5	224.8
Agriculture (350):													
BA	4.3	3.9	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6	18.6	36.5
O	4.3	4.0	3.8	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.6	18.7	36.7
Commerce and Housing:													
BA	3.5	3.7	2.1	1.7	1.8	1.8	1.8	1.8	1.8	1.8	2.8	11.2	21.1

O	3.2	3.9	2.2	1.7	1.8	1.7	1.7	1.7	1.8	1.7	2.7	11.4	20.9
Credit (370):													
On-budget:													
BA	3.5	3.7	2.1	1.7	1.8	1.8	1.8	1.8	1.8	1.8	2.8	11.2	21.1
O	3.2	3.9	2.2	1.7	1.8	1.7	1.7	1.7	1.8	1.7	2.7	11.4	20.9
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation (400):													
BA	14.4	12.2	11.9	11.3	11.2	11.2	11.2	11.2	11.2	11.2	11.2	57.9	113.8
O	42.0	43.4	45.4	45.8	44.9	44.5	44.3	44.3	44.3	44.3	44.3	223.9	445.5
Community and Regional Development (450):													
BA	10.1	7.4	5.4	5.4	5.6	5.6	5.6	5.6	5.6	5.6	5.6	29.4	57.4
O	11.8	11.1	9.6	7.6	6.6	6.0	5.3	5.1	5.0	4.9	4.9	40.9	66.1
Elementary and Secondary Education (501):													
BA	16.8	22.0	24.1	24.5	25.9	26.9	26.9	26.9	26.9	26.9	26.9	123.3	257.9
O	17.8	20.1	21.9	22.7	24.5	25.6	26.6	26.8	26.9	26.9	26.9	114.9	248.9
Training, Employment and Social Services (502–506):													
BA	29.8	28.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	26.1	25.0	132.3	261.9
O	28.2	28.2	26.1	25.8	25.7	25.7	25.7	25.7	25.7	25.7	24.7	131.4	259.0
Health (550):													
BA	30.1	29.3	27.9	27.7	27.5	27.3	27.0	26.7	26.4	26.1	25.8	139.7	271.7
O	26.8	28.3	27.4	27.3	27.2	26.9	26.6	26.3	26.0	25.7	25.4	137.1	267.1
Medicare (570):													
BA	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	14.9	30.0
O	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	14.9	30.0
Income Security (600):													
BA	33.1	28.7	27.5	29.6	34.6	35.2	35.7	36.2	36.7	37.2	37.9	155.5	339.3
O	40.6	39.4	39.4	39.4	39.3	39.4	39.7	40.0	40.4	40.9	41.4	196.9	399.3
Social Security (650):													
BA	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	15.8	32.0
O	3.3	3.3	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	15.9	31.2
On-budget:													
BA	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	15.8	32.0
O	3.3	3.3	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	15.9	31.2
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Veterans Benefits and Services (700):													
BA	19.3	20.2	19.1	19.0	19.0	19.0	19.0	18.9	18.9	18.9	18.9	96.4	190.9

HOUSE BUDGET COMMITTEE RECOMMENDATION—Continued

DISCRETIONARY SPENDING

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
O	19.1	20.4	19.5	19.1	19.1	19.0	18.9	18.9	18.8	18.8	18.8	97.2	191.3
Administration of Justice (750):													
BA	26.1	23.1	24.4	24.4	24.4	24.4	24.4	24.3	24.3	24.3	24.3	120.8	242.3
O	24.3	25.1	25.0	24.8	24.4	24.4	24.4	24.3	24.3	24.3	24.3	123.7	245.3
General Government (800):													
BA	14.3	11.4	11.0	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	55.6	111.2
O	12.9	12.3	11.7	11.4	11.2	11.0	10.9	10.9	10.9	10.9	10.9	57.5	112.1
Net Interest (900):													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Allowances (920):													
BA	0.0	−8.0	−8.5	−6.4	−4.4	−4.5	−4.5	−4.6	−5.2	−5.3	−5.3	−31.8	−56.7
O	0.0	−8.1	−12.9	−20.0	−4.8	−5.0	−5.1	−5.2	−5.8	−5.9	−5.9	−50.8	−78.7
Undistributed Offsetting Receipts (950):													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

HOUSE BUDGET COMMITTEE RECOMMENDATION
MANDATORY SPENDING
[In billions of dollars]

Fiscal year—	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
SUMMARY													
Total Mandatory Spending													
BA	1,176.5	1,217.5	1,254.3	1,286.3	1,351.7	1,406.2	1,473.1	1,518.5	1,589.0	1,666.8	1,747.3	6,516.0	14,510.7
O	1,129.9	1,164.2	1,203.6	1,237.6	1,301.5	1,356.5	1,423.0	1,468.2	1,535.8	1,615.3	1,696.0	6,263.4	14,001.7
On-budget:													
BA	860.2	890.4	914.8	936.9	989.5	1,030.9	1,083.6	1,113.9	1,168.4	1,228.7	1,287.8	4,762.5	10,644.9
O	813.6	837.1	864.2	888.1	939.3	981.3	1,033.5	1,063.6	1,115.2	1,177.2	1,236.5	4,510.0	10,136.0
Off-budget:													
BA	316.3	327.1	339.5	349.5	362.2	375.3	389.5	404.6	420.6	438.1	459.5	1,753.6	3,865.9
O	316.3	327.1	339.5	349.5	362.2	375.3	389.5	404.6	420.6	438.1	459.5	1,753.6	3,865.9
BY FUNCTION													
National Defense (050):													
BA	−1.1	−1.2	−1.1	−1.1	−1.1	−1.0	−0.9	−0.9	−0.9	−0.9	−0.9	−5.5	−10.0
O	−1.1	−1.2	−1.2	−1.1	−1.1	−1.0	−0.9	−0.9	−0.9	−0.9	−0.9	−5.6	−10.1
International Affairs (150):													
BA	−5	−5.2	−4.7	−5.2	−3.5	−2.4	−2.1	−1.8	−1.6	−1.4	−1.3	−21.0	−29.2
O	−3.9	−3.7	−3.6	−3.4	−3.3	−3.2	−3.1	−3.1	−3.1	−3.1	−3.1	−17.2	−32.7
General Science, Space, and Technology (250):													
BA	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2
O	0.0	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Energy (270):													
BA	−1.8	−1.8	−1.9	−2.1	−2.0	−2.2	−2.3	−2.4	−2.4	−2.1	−2.0	−10.0	−21.2
O	−2.6	−3.2	−3.9	−3.2	−3.2	−3.3	−3.4	−3.4	−3.4	−3.1	−3.0	−16.8	−33.1
Natural Resources and Environment (300):													
BA	0.7	0.8	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.8	2.8	5.6
O	0.8	0.8	0.7	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.7	2.8	5.0
Agriculture (350):													
BA	18.1	10.4	9.8	8.1	8.3	8.4	6.9	7.0	7.1	7.1	7.2	45.0	80.3
O	16.1	9.1	7.5	6.3	6.7	6.9	6.3	5.5	5.5	5.6	5.6	36.5	65.0
Commerce and Housing Credit (370):													
BA	−1.6	6.0	8.1	12.1	12.7	12.1	10.9	10.8	10.9	10.8	10.7	51.0	105.1
O	−2.3	0.4	3.2	7.8	9.1	8.7	7.7	7.4	7.1	6.7	6.2	29.2	64.3

HOUSE BUDGET COMMITTEE RECOMMENDATION—Continued

MANDATORY SPENDING

[In billions of dollars]

Fiscal year—	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
On-budget:													
BA	−1.6	6.1	8.5	12.7	12.7	12.1	10.9	10.8	10.9	10.8	10.7	52.1	106.2
O	−2.3	0.6	3.5	8.5	9.1	8.7	7.7	7.4	7.1	6.7	6.2	30.4	65.5
Off-budget:													
BA	0.0	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−1.1	−1.1
O	0.0	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	−1.1	−1.1
Transportation (400):													
BA	36.8	39.5	39.1	39.5	41.0	41.1	41.1	41.1	41.2	41.2	41.2	200.2	406.0
O	1.9	2.4	2.3	1.5	1.9	1.8	1.7	1.7	1.7	1.8	1.8	9.9	18.6
Community and Regional Development (450):													
BA	0.1	0.0	−0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	−0.4	−0.5	−0.5	−0.5	−0.5	−0.5	−0.6	−0.6	−0.6	−0.6	−0.6	−2.5	−5.5
Elementary and Secondary Education (501):													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Training, Employment and Social Services (502–506):													
BA	14.4	15.2	15.4	15.1	16.7	17.0	17.8	18.6	19.5	20.5	21.4	79.4	177.2
O	13.8	15.3	15.8	15.1	16.3	16.6	17.2	18.0	18.8	19.8	20.7	79.1	173.6
Health (550):													
BA	117.4	126.9	136.2	145.6	157.2	170.6	185.8	201.7	219.9	239.1	259.7	736.5	1,842.7
O	114.0	124.7	135.0	146.4	158.1	171.6	186.0	202.0	219.5	238.7	259.5	735.8	1,841.5
Medicare (570):													
BA	192.2	205.7	219.1	227.6	247.8	265.6	292.6	303.8	334.6	362.7	391.1	1,165.8	2,850.6
O	191.8	205.7	219.3	227.2	247.9	265.8	292.2	303.9	334.8	362.2	391.3	1,165.9	2,850.3
Income Security (600):													
BA	202.1	215.7	223.0	233.1	242.4	251.0	262.8	268.5	273.9	286.7	296.3	1,165.2	2,553.4
O	197.6	208.7	218.0	227.6	237.4	246.6	259.0	265.2	271.2	284.5	294.3	1,138.3	2,512.5
Social Security (650):													
BA	387.5	404.1	422.9	442.7	463.8	486.6	511.4	537.7	565.6	595.8	630.5	2,220.1	5,061.1
O	387.5	404.1	422.9	442.7	463.8	486.6	511.4	537.7	565.6	595.8	630.5	2,220.1	5,061.1
On-budget:													
BA	11.4	11.1	10.6	12.4	13.1	13.9	14.8	15.7	16.7	17.9	19.1	61.1	145.3
O	11.4	11.1	10.6	12.4	13.1	13.9	14.8	15.7	16.7	17.9	19.1	61.1	145.3

Off-budget:													
BA	376.1	393.0	412.3	430.3	450.7	472.7	496.6	522.0	548.8	578.0	611.4	2,159	4,915.8
O	376.1	393.0	412.3	430.3	450.7	472.7	496.6	522.0	548.8	578.0	611.4	2,159	4,915.8
Veterans Benefits and Services (700):													
BA	23.8	24.5	25.1	25.7	26.9	27.3	29.8	28.3	28.9	29.6	30.2	129.5	276.3
O	23.9	24.6	25.5	26.0	27.3	27.7	30.4	28.9	27.4	30.2	30.9	131.1	278.9
Administration of Justice (750):													
BA	0.5	0.3	0.2	0.2	0.2	1.8	2.0	2.0	2.1	2.2	2.2	2.7	13.2
O	0.7	0.2	0.1	0.1	0.0	1.7	1.9	1.9	2.0	2.1	2.1	2.1	12.1
General Government (800):													
BA	2.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	4.8	9.8
O	2.9	1.2	0.9	0.9	1.0	1.1	1.0	0.9	1.0	1.2	1.0	5.1	10.2
Net Interest (900):													
BA	229.4	217.7	207.0	196.4	186.4	176.5	165.2	153.3	141.6	128.6	115.3	984.0	1,688.0
O	229.4	217.7	207.0	196.4	186.4	176.5	165.2	153.3	141.6	128.6	115.3	984.0	1,688.0
On-budget:													
BA	281.8	275.5	271.0	267.4	265.1	263.4	261.0	258.6	257.0	254.7	252.7	1,342.4	2,626.4
O	281.8	275.5	271.0	267.4	265.1	263.4	261.0	258.6	257.0	254.7	252.7	1,342.4	2,626.4
Off-budget:													
BA	−52.4	−57.8	−64.0	−71.1	−78.7	−86.9	−95.8	−105.3	−115.5	−126.2	−137.3	−358.5	−938.6
O	−52.4	−57.8	−64.0	−71.1	−78.7	−86.9	−95.8	−105.3	−115.5	−126.2	−137.3	−358.5	−938.6
Allowances (920):													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Undistributed Offsetting													
BA	−40.1	−42.2	−45.3	−52.8	−46.8	−47.6	−49.4	−50.8	−52.8	−54.6	−56.4	−234.7	−498.7
O	−40.1	−42.2	−45.3	−52.8	−46.8	−47.6	−49.4	−50.8	−52.8	−54.6	−56.4	−234.7	−498.7
Receipts (950):													
On-budget:													
BA	−32.7	−34.3	−36.9	−43.6	−37.0	−37.1	−38.1	−38.8	−40.1	−40.9	−41.8	−188.9	−388.6
O	−32.7	−34.3	−36.9	−43.6	−37.0	−37.1	−38.1	−38.8	−40.1	−40.9	−41.8	−188.9	−388.6
Off-budget:													
BA	−7.4	−8.0	−8.5	−9.1	−9.8	−10.5	−11.3	−12.0	−12.8	−13.7	−14.6	−45.9	−110.3
O	−7.4	−8.0	−8.5	−9.1	−9.8	−10.5	−11.3	−12.0	−12.8	−13.7	−14.6	−45.9	−110.3

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2009

[In billions of dollars]

Function	Corporations										Individuals										Total	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–04	2000–09
National Defense																						
Exclusion of benefits and allowances to Armed Forces personnel	....	....	....	....	....	....	....	....	....	....	20	20	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	10.3	21.5
Exclusion of military disability benefits	....	....	....	....	....	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5	1.3
International Affairs																						
Exclusion of income earned abroad by U.S. citizens	....	....	....	....	....	....	....	....	....	....	2.0	2.2	2.3	2.5	2.7	2.8	3.0	3.2	3.4	3.5	11.7	27.6
Exclusion of certain allowances for Federal employees abroad	....	....	....	....	....	....	....	....	....	....	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	1.0	2.4
Exclusion of income of foreign sales corporations (FSCs)	1.9	2.0	2.1	2.2	2.3	2.3	2.4	2.5	2.6	2.7	....	....	....	....	....	....	....	....	....	....	10.5	23.0
Deferral of active income of controlled foreign corporations	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.9	2.0	2.1	....	....	....	....	....	....	....	....	....	....	7.5	17.0
Inventory property sales sources rule exception	4.0	4.1	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9	....	....	....	....	....	....	....	....	....	....	21.0	44.5
Deferral of certain financing income	0.3	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	0.3	0.3
General Science, Space, and Technology																						
Tax credit for qualified research expenditures	0.9	0.5	0.3	0.1	(1)	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	1.9	1.9
Expensing of research and experimental expenditures	2.4	2.7	2.8	3.0	2.8	2.9	2.9	3.1	3.2	3.4	....	....	....	....	....	....	....	....	....	....	13.2	28.7
Energy																						
Expensing of exploration and development costs:																						
Oil and gas	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2.4	5.7
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1
Excess of percentage over cost depletion:																						
Oil and gas	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	2.8	6.1
Other fuels	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5	3.0
Tax credit for enhanced oil recovery costs	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3	0.7
Tax credit for production of non-conventional fuels	1.0	1.0	1.0	0.8	0.5	0.3	0.2	0.1	0.1	(1)	0.3	0.3	0.3	0.2	0.1	0.1	(1)	(1)	(1)	(1)	5.5	6.4
Tax credits for alcohol fules [2]	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	....	....	....	....	....	....	....	....	....	....	(1)	0.1
Exclusion of interest on State and local government industrial development bonds for energy production facilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9	1.9
Exclusion of energy conservation subsidies provided by public utilities	....	....	....	....	....	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.3
Tax credit for investments in solar and geothermal energy facilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2	0.3
Tax credit for electricity production from wind and biomass	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.5
Natural Resources and Environment																						
Expensing of exploration and development costs, nonfuel minerals	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2	0.6
Excess of percentage over cost depletion, nonfuel minerals	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.5	3.0
Expensing of multiperiod timber-growing costs	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.9	1.9
Exclusion of interest on State and local government sewage, water, and hazardous waste facilities bonds	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3.2	6.5
Special rules for mining reclamation reserves	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2	0.4
Exclusion of contribution in aid of construction for water and sewer utilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	....	....	....	....	....	....	....	....	....	....	(1)	0.1
Agriculture																						
Expensing of soil and water conservation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.2	0.5
Expensing of fertilizer and soil conditioner costs	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.6

Expensing of the costs of raising dairy and breeding cattle	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.9	2.1
Exclusion of cost-sharing payments	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.2
Exclusion of cancellation of indebtedness income of farmers	....	....	....	....	....	....	....	....	....	....	0.1	0.1	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2	0.4
Cash accounting for agriculture	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	3.0	6.5
Income averaging for farmers	....	....	....	....	....	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.2
Five-year carryback period for net operating losses attributable to farming	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.1	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.3	0.4
Commerce and Housing																						
Financial institutions:																						
Exemption of credit union income	0.9	1.0	1.0	1.1	1.1	1.2	1.2	1.3	1.3	1.4	....	....	....	....	....	....	....	....	....	....	5.1	11.5
Insurance companies:																						
Exclusion of investment income on life insurance and annuity contracts	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.8	23.3	24.0	24.8	25.6	26.4	27.2	28.1	28.9	29.9	30.8	131.2	284.2
Small life insurance company taxable income adjustment	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	....	....	....	....	....	....	....	....	....	....	0.7	1.5
Special treatment of life insurance company reserves	1.4	1.4	1.5	1.5	1.6	1.7	1.7	1.8	1.9	1.9	....	....	....	....	....	....	....	....	....	....	7.4	16.3
Deduction of unpaid property loss reserves for property and casualty insurance companies	3.4	3.4	3.5	3.5	3.6	3.7	3.8	3.9	3.9	4.0	....	....	....	....	....	....	....	....	....	....	17.4	36.7
Special deduction for Blue Cross and Blue Shield companies	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	....	....	....	....	....	....	....	....	....	....	1.8	3.5
Housing:																						
Deduction for mortgage interest on owner-occupied residences	....	....	....	....	....	....	....	....	....	....	50.4	52.4	54.5	56.8	59.2	61.6	64.1	66.7	69.5	72.3	273.2	607.4
Deduction for property taxes on owner-occupied residences	....	....	....	....	....	....	....	....	....	....	18.4	19.1	19.7	20.3	21.0	21.8	22.5	23.3	24.1	24.9	98.5	215.0
Exclusion of capital gains on sales of principal residences	....	....	....	....	....	....	....	....	....	....	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.6	7.9	32.0	69.1
Exclusion of interest on State and local government bonds for owner-occupied housing	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.5	1.5	1.6	1.7	1.8	1.9	2.0	.21	2.2	2.3	11.4	26.2
Exclusion of interest on State and local government bonds for rental housing	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.8	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.0	5.7	13.0
Depreciation of rental housing in excess of alternative depreciation system	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	1.5	1.5	1.6	1.7	1.8	2.0	2.3	2.6	3.0	3.5	9.1	24.1
Tax credit for low-income housing	1.4	1.5	1.7	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.6	2.8	3.1	3.4	3.4	.3.4	3.4	3.4	3.4	3.4	23.7	50.0
Tax credit for first-time homebuyers in the District of Columbia	....	....	....	....	....	....	....	....	....	....	[1]	[1]	....	....	....	....	....	....	....	....	[1]	[1]
Tax credit for rehabilitation of historic structures	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.5	5.5
Other business and commerce:																						
Reduced rates of tax on long-term capital gains	....	....	....	....	....	....	....	....	....	....	32.0	33.8	34.9	36.1	37.5	39.0	41.0	43.5	46.5	50.2	174.3	394.5
Exclusion of capital gains at death	....	....	....	....	....	....	....	....	....	....	20.7	22.2	23.9	25.2	26.2	27.3	28.6	30.3	32.5	35.1	118.2	272.0
Carryover basis of capital gains on gifts	....	....	....	....	....	....	....	....	....	....	2.1	2.3	2.5	2.7	2.8	2.9	3.1	3.3	3.5	3.8	12.4	29.0
Deferral of gain on non-dealer installment sales	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	4.7	10.2
Deferral of gain on like-kind exchanges	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	3.5	8.0
Deferral of gain on involuntary conversions resulting from Presidentially-declared disasters	....	....	....	....	....	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.2
Depreciation of buildings other than rental housing in excess of alternative depreciation system	1.5	1.2	1.2	1.1.	0.9	0.8	1.0	1.3	1.7	2.2	0.7	0.5	0.5	0.4	0.3	0.3	0.3	0.4	0.5	0.7	8.3	17.5
Depreciation of equipment in excess of alternative depreciation system	24.8	25.3	25.7	26.1	26.2	26.3	26.3	26.4	26.5	26.6	6.7	6.9	6.8	6.7	6.6	6.5	6.3	6.2	6.1	6.0	161.8	325.0
Expensing of depreciable business property	0.5	0.7	0.7	0.5	0.2	0.1	0.1	[1]	[1]	[1]	0.2	0.3	0.4	0.2	0.1	[1]	[1]	[1]	[1]	[1]	3.8	4.0
Amortization of business startup costs	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	1.5	3.4
Reduced rates on first $10,000,000 of corporate taxable income	4.4	4.4	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	....	....	....	....	....	....	....	....	....	....	22.2	44.7
Permanent exemption from imputed interest rules	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	1.0	2.4
Expensing of magazine circulation expenditures	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.0	0.0
Special rules for magazine, paperback book, and record returns	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.0	0.0

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2009—Continued

[In billions of dollars]

Function	Corporations										Individuals										Total	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–04	2000–09
Completed contract rules	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1.0	2.2
Cash accounting, other than agriculture	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.5	1.8
Exclusion of interest on State and local government small-issue industrial development bonds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	1.2	2.1
Exception from net operating loss limitations for corporations in bankruptcy proceedings	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	....	....	....	....	....	....	....	....	....	....	2.2	4.4
Tax credit for employer-paid FICA taxes on tips	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	2.4	4.9
Transportation																						
Deferral of tax on capital construction funds of shipping companies	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	....	....	....	....	....	0.5	1.0
Exclusion of employer-paid transportation benefits	....	....	....	....	....	....	....	....	....	....	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.8	3.9	3.9	18.1	37.3
Exclusion of interest on State and local government bonds for high-speed rail	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.5	1.0
Community and Regional Development																						
Empowerment zone tax incentives	0.2	0.2	0.2	0.2	0.1	0.1	(1)	(1)	(1)	(1)	0.1	0.2	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	1.2	1.7
District of Columbia tax incentives	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8	1.1
Indian reservation tax incentives	0.1	0.1	0.1	(1)	(3)	(3)	(3)	(3)	(3)	(3)	0.1	0.1	(1)	(1)	(3)	(3)	(3)	(3)	(3)	(3)	0.6	0.5
Expensing of redevelopment costs in certain environmentally contaminated areas ("Brownfields")	0.1	0.1	(1)	(1)	(1)	(3)	(3)	(3)	(3)	(3)	(1)	(1)	(1)	(1)	(1)	(3)	(3)	(3)	(3)	(3)	0.3	0.1
Tax credit for rehabilitation of structures, other than historic structures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3	0.6
Exclusion of interest on State and local government bonds for private airports, docks, and mass-commuting facilities	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.2	1.3	1.4	1.5	1.6	6.6	16.5
Education, Training, Employment, and Social Services																						
Education and training:																						
Tax credits for tuition for post-secondary education	....	....	....	....	....	....	....	....	....	....	6.4	6.2	6.2	6.2	6.1	6.1	6.0	6.0	5.8	5.8	31.1	60.9
Deduction for interest on student loans	....	....	....	....	....	....	....	....	....	....	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	1.3	3.2
Exclusion of earnings of trust accounts for higher education ("education IRAs")	....	....	....	....	....	....	....	....	....	....	0.5	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.1	1.1	3.1	8.0
Exclusion of interest on educational savings bonds	....	....	....	....	....	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Deferral of tax on earnings of qualified State tuition program	....	....	....	....	....	....	....	....	....	....	0.2	0.2	0.3	0.4	0.4	0.5	0.6	0.7	0.9	1.0	1.5	5.2
Exclusion of scholarship and fellowship income	....	....	....	....	....	....	....	....	....	....	1.0	1.0	1.1	1.2	1.3	1.4	1.5	1.7	1.8	1.9	5.7	14.0
Exclusion of employer-provided education assistance benefits	....	....	....	....	....	....	....	....	....	....	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	1.1	2.9
Parental personal exemption for students age 19 to 23	....	....	....	....	....	....	....	....	....	....	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	4.3	9.0
Exclusion of interest on State and local government student loan bonds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.3	2.4
Exclusion of interest on State and local government bonds for private nonprofit education	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5.	0.6	0.6	0.8	0.8	0.9	0.9	1.0	1.1	1.2	1.3	1.4	1.5	6.3	15.6
Tax credit for holders of qualified education bonds	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	....	....	....	....	....	....	....	....	....	....	....	....
Deduction for charitable contributions to educational institutions	1.1	1.2	1.4	1.5	1.6	1.8	2.0	2.2	2.4	2.6	2.9	3.1	3.3	3.5	3.6	3.8	4.1	4.3	4.5	4.8	23.2	55.7
Employment:																						
Exclusion of employee meals and lodging (other than military)	....	....	....	....	....	....	....	....	....	....	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0	4.2	9.0

Exclusion of benefits provided under cafeteria plans [1]	....	....	....	....	....	....	....	....	....	....	4.5	4.9	5.3	5.7	6.3	6.9	7.6	8.3	9.2	10.1	26.7	68.8
Exclusion of housing allowances for ministers	....	....	....	....	....	....	....	....	....	....	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	2.0	4.6
Exclusion of miscellaneous fringe benefits	....	....	....	....	....	....	....	....	....	....	6.5	6.9	7.3	7.8	8.3	8.6	8.9	9.2	9.5	9.8	36.8	82.8
Exclusion of employee awards	....	....	....	....	....	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.1
Exclusion of income earned by voluntary employees' beneficiary associations	....	....	....	....	....	....	....	....	....	....	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	3.0	6.6
Special tax provisions for employee stock ownership plans (ESOPs)	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	4.8	10.6
Work opportunity tax credit	0.2	0.1	(1)	(1)	(1)	....	....	....	....	....	(1)	(1)	(1)	....	....	....	....	....	....	....	0.4	0.4
Welfare-to-work tax credit	(1)	(1)	(1)	(1)	(1)	....	....	....	....	....	(1)	(1)	....	....	....	....	....	....	....	....	0.1	0.1
Social services:																						
Tax credit for children under under age 17 [5]	....	....	....	....	....	....	....	....	....	....	20.0	20.0	19.8	19.5	19.2	18.9	18.7	18.4	18.1	17.8	98.5	190.4
Tax credit for child and dependent care expenses	....	....	....	....	....	....	....	....	....	....	2.5	2.5	2.5	2.5	2.5	2.5	2.4	2.2	2.1	2.0	12.7	23.8
Exclusion of employer-provided child care [6]	....	....	....	....	....	....	....	....	....	....	0.4	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.6	0.6	2.5	5.4
Exclusion of certain foster care payments	....	....	....	....	....	....	....	....	....	....	(1)	(1)	1(1)	(1)	(1)	(1)	(1)	1[]	(1)	(1)	0.2	0.5
Adoption credit and employee adoption benefits exclusion	....	....	....	....	....	....	....	....	....	....	0.4	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0	1.3
Deduction for charitable contributions, other than for education and health	1.1	1.2	1.3	1.4	1.5	1.7	1.8	2.0	2.2	2.4	20.9	22.1	23.3	24.6	26.0	27.4	29.0	30.6	32.3	34.1	123.4	286.9
Tax credit for disabled access expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.7
Health																						
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums [7]	....	....	....	....	....	....	....	....	....	....	61.3	65.1	69.2	73.8	78.7	83.9	89.5	95.5	101.8	108.6	348.1	827.4
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	1.7	1.7	1.7	1.7	1.7	8.0	16.5
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed	....	....	....	....	....	....	....	....	....	....	1.2	1.2	1.5	2.4	2.8	3.0	3.2	3.4	3.6	3.8	9.1	26.1
Deduction for medical expenses and long-term care expenses	....	....	....	....	....	....	....	....	....	....	4.3	4.5	4.7	4.9	5.0	5.1	5.2	5.3	5.5	5.7	23.5	50.2
Exclusion of workers' compensation benefits (medical benefits)	....	....	....	....	....	....	....	....	....	....	4.5	4.7	4.9	5.1	5.4	5.6	5.9	6.1	6.4	6.7	24.6	55.3
Medical savings accounts	....	....	....	....	....	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1	0.2
Exclusion of interest on State and local government bonds for private nonprofit hospital facilities	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.1	1.1	1.5	1.5	1.6	1.7	1.9	2.1	2.3	2.4	2.6	2.8	11.6	28.7
Deduction for charitable contributions to health organizations	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.7	1.9	2.1	2.3	2.4	2.5	2.6	2.8	2.9	3.1	3.3	3.5	16.9	40.3
Tax credit for orphan drug research	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	....	....	....	....	....	....	....	....	....	....	0.2	0.4
Medicare																						
Exclusion of untaxed medicare benefits:																						
Hospital insurance	....	....	....	....	....	....	....	....	....	....	15.2	15.9	16.8	17.8	18.5	20.0	21.6	23.2	25.0	26.9	84.2	200.9
Supplemtary medical insurance	....	....	....	....	....	....	....	....	....	....	8.0	9.1	10.4	11.8	13.2	14.7	16.4	18.2	20.1	22.2	52.5	144.1
Income Security																						
Exclusion of workers' compensation benefits (disability and survivors payments)	....	....	....	....	....	....	....	....	....	....	3.8	3.9	4.0	4.2	4.4	4.5	4.7	4.8	5.0	5.2	20.3	44.7
Exclusion of special benefits for disabled coal miners	....	....	....	....	....	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	0.4	0.6
Exclusion of cash public assistance benefits	....	....	....	....	....	....	....	....	....	....	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	2.5	5.0
Net exclusion of pension contributions and earnings:																						
Employer plans	....	....	....	....	....	....	....	....	....	....	78.3	78.2	78.1	78.4	79.8	81.2	82.6	84.0	85.5	87.0	392.8	813.0
Individual retirement plans	....	....	....	....	....	....	....	....	....	....	12.4	13.1	14.2	15.5	16.8	18.0	19.3	20.6	22.1	23.6	72.0	175.5
Keough plans	....	....	....	....	....	....	....	....	....	....	5.1	5.2	5.4	5.7	5.6	5.4	5.5	5.8	6.0	6.3	27.0	56.0

TABLE 1.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2000–2009—Continued

[In billions of dollars]

Function	Corporations										Individuals										Total	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–04	2000–09
Exclusion of other employee benefits:																						
Premiums on group term life insurance	....	....	....	....	....	....	....	....	....	....	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	10.9	24.2
Premiums on accident and disability insurance	....	....	....	....	....	....	....	....	....	....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.0	2.0
Additional standard deduction for the blind and the elderly	....	....	....	....	....	....	....	....	....	....	2.0	2.0	2.1	2.2	2.3	2.3	2.4	2.4	2.5	2.6	10.6	22.8
Tax credit for the elderly and disabled	....	....	....	....	....	....	....	....	....	....	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.1
Deduction for casualty and theft losses	....	....	....	....	....	....	....	....	....	....	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	1.7	3.6
Earned income credit (EIC) [8]	....	....	....	....	....	....	....	....	....	....	4.3	4.5	4.6	4.7	4.8	4.9	5.0	5.1	5.2	5.3	22.9	48.6
Social Security and Railroad Retirement																						
Exclusion of untaxed social security and railroad retirement benefits	....	....	....	....	....	....	....	....	....	....	26.1	27.0	28.0	28.9	30.4	32.0	33.2	34.8	36.3	37.6	140.4	314.3
Veterans' Benefits and Services																						
Exclusion of veterans' disability compensation	....	....	....	....	....	....	....	....	....	....	2.1	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.6	2.6	11.1	23.6
Exclusion of veterans' pensions	....	....	....	....	....	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.6	1.4
Exclusion of GI bill benefits	....	....	....	....	....	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.0
Exclusion of interest on State and local government bonds for veterans' housing	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.7
General Purpose Fiscal Assistance																						
Exclusion of interest on public purpose State and local government debt	4.8	4.9	5.2	5.6	6.0	6.8	7.3	7.8	8.4	9.0	11.7	11.9	12.8	13.8	14.8	16.6	17.8	19.1	20.5	22.0	91.5	226.7
Deduction of nonbusiness State and local government income and personal property taxes	....	....	....	....	....	....	....	....	....	....	32.1	33.0	33.9	34.8	35.7	36.7	37.6	38.6	39.7	40.7	169.5	362.8
Tax credit for Puerto Rico and possession income	3.8	4.0	3.6	3.2	2.8	2.4	0.9	....	....	....	....	....	....	....	....	....	....	....	....	....	17.4	20.7
Interest																						
Deferral of interest on savings bonds	....	....	....	....	....	....	....	....	....	....	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	6.0	12.0

[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 2009.

[3] Negative tax expenditure of less than $50 billion.

[4] Estimate includes amounts of employer-provided health insurance purchased through cafeteria plans and employer-provided child care purchased dependent care flexible spending accounts. These accounts are also included in other line items in this table.

[5] The figures in the table show the effect of the child credit on receipts. The increase in outlays is: $0.9 billion in 1999, $1.2 billion in 2000, $1.2 billion in 2001, $1.2 billion in 2002, $1.2 billion in 2003, $1.2 billion in 2004, $1.2 billion in 2005. $1.2 billion in 2006, $1.2 billion in 2007, $1.3 billion in 2008, and $1.3 billion in 2009.

[6] Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.

[7] Estimate includes employee-provided health insurance purchased throgh cafeteria plans.

[8] The figures in the table show the effect of the earned income credit on receipts. The increase in outlays is: $25.6 billion in 1999, $26.2 billion in 2000, $26.8 billion in 2001, $27.3 billion in 2002, $27.9 billion in 2003, $28.7 billion in 2004, $29.3 billion in 2005, $29.9 billion in 2006, $30.5 billion in 2007, $31.0 billion in 2008, and $31.6 billion in 2009.

Note.—Details may not add to total due to rounding.

Source: Joint Committee on Taxation.

REVENUE COMPARISONS

TABLE 1.—COMPARISON OF TOTAL BUDGET REVENUES

[In billions of dollars]

Fiscal Year:	Amount
1994 Actual	1,258.6
1995 Actual	1,351.8
1996 Actual	1,453.1
1997 Actual	1,579.3
1998 Actual	1,721.8
1999 Estimated (CBO)	1,816.1
Fiscal Year 2000:	
Administration's Request (February 1999)	1,874.0
Committee Level	1,876.5
Fiscal Year 2001:	
Administration's Request (February 1999)	1,933.1
Committee Level	1,923.1
Fiscal Year 2002:	
Administration's Request (February 1999)	2,014.2
Committee Level	1,962.6
Fiscal Year 2003:	
Administration's Request (February 1999)	2,090.1
Committee Level	2,059.9
Fiscal Year 2004	
Administration's Request (February 1999)	2,181.7
Committee Level	2,134.0
Fiscal Year 2005	
Administration's Request (February 1999)	2,285.0
Committee Level	2,227.8
Fiscal Year 2006	
Administration's Request (February 1999)	2,384.0
Committee Level	2,286.2
Fiscal Year 2007	
Administration's Request (February 1999)	2,489.1
Committee Level	2,361.5
Fiscal Year 2008	
Administration's Request (February 1999)	2,600.2
Committee Level	2,457.2
Fiscal Year 2009	
Administration's Request (February 1999)	2,715.5
Committee Level	2,548.8

REVENUE COMPARISONS

TABLE 2.—COMPARISON OF TOTAL BUDGET REVENUES

[In billions of dollars]

Fiscal Year:	
1994 Actual	923.60
1995 Actual	1,000.80
1996 Actual	1,085.60
1997 Actual	1,187.30
1998 Actual	1,292.40
1999 Estimated (CBO)	1,369.90
Fiscal year 2000	
Administration's Request (February 1999)	1,406.03
Committee Level	1,408.48
Fiscal year 2001	
Administration's Request (February 1999)	1,445.31
Committee Level	1,435.35
Fiscal year 2002	
Administration's Request (February 1999)	1,507.94
Committee Level	1,456.28
Fiscal year 2003	
Administration's Request (February 1999)	1,562.82
Committee Level	1,532.62

Fiscal year 2004	
Administration's Request (February 1999)	1,631.84
Committee Level	1,584.15
Fiscal year 2005	
Administration's Request (February 1999)	1,708.13
Committee Level	1,651.00
Fiscal year 2006	
Administration's Request (February 1999)	1,782.14
Committee Level	1,684.41
Fiscal year 2007	
Administration's Request (February 1999)	1,860.83
Committee Level	1,733.20
Fiscal year 2008	
Administration's Request (February 1999)	1,945.80
Committee Level	1,802.81
Fiscal year 2009	
Administration's Request (February 1999)	2,034.17
Committee Level	1,867.51

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
Individual Income Tax	15.8	40.7	90.4	244.1	466.9	899.8
Corporate Income Tax	10.4	21.5	32.8	64.6	93.5	188.4
Social Insurance Tax and contributions	4.3	14.7	44.4	157.8	380.0	640.2
Excises	7.6	11.7	15.7	24.3	35.3	66.4
Estate and Gift taxes	0.7	1.6	3.6	6.4	11.5	26.8
Customs Duties	0.4	1.1	2.4	7.2	16.7	19.1
Miscellaneous Receipts	0.2	1.2	3.4	12.7	28.0	35.8
Total [1]	39.4	92.5	192.7	517.1	1,031.9	1,876.5
On-Budget Revenues	37.3	81.9	159.2	403.9	750.2	1,408.5
Off-Budget Revenues [2]	2.1	10.6	33.5	113.2	281.7	468.0

[1] Details may not sum to totals due to rounding.
[2] Social Security (OASDI) revenues.

Source: CBO February 1999 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 years, in billions of dollars]

	1950	1960	1970	1980	1990	Projected 2000
Individual Income Tax	5.8	7.9	9.0	9.0	8.2	9.9
Corporate Income Tax	3.8	4.1	3.3	2.4	1.6	2.1
Social Insurance Tax and contributions	1.6	2.8	4.4	5.8	6.7	7.0
Excises	2.8	2.3	1.6	0.9	0.6	0.7
Estate and Gift taxes	0.2	0.3	0.4	0.2	0.2	0.3
Customs Duties	0.1	0.2	0.2	0.3	0.3	0.2
Miscellaneous Receipts	0.1	0.2	0.3	0.5	0.5	0.4
Total [1]	14.4	17.8	19.1	19.0	18.2	20.6
On-Budget Revenues	13.6	15.8	15.8	14.9	13.2	15.4
Off-Budget Revenues [2]	0.8	2.1	3.3	4.2	5.0	5.1

[1] Details may not sum to totals due to rounding.
[2] Social Security (OASDI) revenues.

Source: CBO February 1999 baseline revenues.

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

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
SUMMARY													
Total Spending:													
BA	−2.8	−54.2	−71.8	−80.2	−76.7	−84.7	−103.8	−127.5	−150.4	−173.2	−197.1	−367.6	−1,119.6
O	−0.9	−58.6	−68.8	−99.0	−86.4	−94.1	−110.2	−135.9	−159.6	−182.8	−205.8	−406.9	−1,201.2
On-Budget:													
BA	−2.8	−122.6	−132.6	−160.7	−160.0	−187.3	−221.0	−275.8	−327.0	−380.9	−437.7	−763.2	−2,405.6
O	−0.9	−127.0	−129.6	−179.5	−169.7	−196.7	−227.4	−284.2	−336.2	−390.5	−446.4	−802.5	−2,487.2
Off-Budget:													
BA	0.0	68.4	60.8	80.5	83.3	102.6	117.2	148.3	176.6	207.7	240.6	395.6	1,286.0
O	0.0	68.4	60.8	80.5	83.3	102.6	117.2	148.3	176.6	207.7	240.6	395.6	1,286.0
Revenues:													
Total	0.4	−4.0	−12.5	−51.7	−30.2	−47.7	−57.1	−97.7	−127.6	−143.0	−166.7	−146.1	−738.2
On-Budget	0.4	−4.0	−12.5	−51.7	−30.2	−47.7	−57.1	−97.7	−127.6	−143.0	−166.7	−146.1	−738.2
Off-Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	00.0	0.0
Surplus/Deficit (-):													
Total	1.2	54.5	56.4	47.2	56.3	46.4	53.1	38.2	32.0	39.7	39.2	260.9	463.1
On-Budget	1.2	122.9	117.2	127.7	139.6	149.0	170.3	186.5	208.6	247.5	279.8	656.5	1,749.2
Off-Budget	0.0	−68.4	−60.8	−80.5	−83.3	−102.6	−117.2	−148.3	−176.6	−207.7	−240.6	−395.6	−1,286.1
BY FUNCTION													
National Defense (050):													
BA	0.9	8.3	3.4	6.2	5.9	5.9	−4.2	−14.8	−26.1	−37.9	−50.1	29.7	−103.4
O	0.0	−8.7	1.0	−2.0	−0.2	−0.3	−9.4	−20.6	−32.8	−45.0	−56.7	−10.2	−174.7
International Affairs (150):													
BA	−0.9	−4.9	−5.7	−5.7	−5.9	−5.1	−5.4	−4.6	−4.8	−4.9	−5.0	−27.3	−52.0
O	−0.5	−2.3	−2.4	−3.4	−3.8	−4.3	−4.8	−4.8	−4.9	−4.9	−4.9	−16.2	−40.5
General Science, Space, and Technology (250):													
BA	0.0	−1.3	−1.5	−1.5	−1.5	−1.5	−1.4	−1.4	−1.4	−1.4	−1.4	−7.3	−14.3
O	0.0	−0.6	−1.2	−1.4	−1.4	−1.4	−1.4	−1.4	−1.4	−1.4	−1.4	−6.0	−13.0
Energy (270):													
BA	0.0	−1.1	−2.8	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−7.5	−13.5
O	0.0	−0.8	−2.5	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−6.9	−12.9

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

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
Natural Resources and Environment (300):													
BA	0.0	−1.8	−1.5	−1.4	−1.5	−0.5	−0.5	−0.4	−0.4	−0.3	−0.3	−6.7	−8.6
O	0.0	−1.4	−2.2	−2.5	−1.5	−0.5	−0.5	−0.4	−0.4	−0.4	−0.4	−8.1	−10.2
Agriculture (350):													
BA	0.0	−0.8	0.5	0.5	0.5	0.6	−1.0	−1.0	−1.0	−1.0	−1.0	1.3	−3.7
O	0.0	−0.4	−0.1	0.5	0.5	0.5	−0.2	−1.0	−1.0	−1.0	−1.0	1.0	−3.2
Commerce and Housing Credit (370):													
BA	0.0	−1.2	−1.2	−1.1	−1.1	−1.2	−1.1	−1.1	−1.3	−1.3	−0.3	−5.8	−10.9
O	0.0	−1.3	−1.2	−1.1	−1.0	−1.1	−1.0	−1.0	−1.1	−1.1	−0.1	−5.7	−10.0
On-budget:													
BA	0.0	−1.2	−1.2	−1.1	−1.1	−1.2	−1.1	−1.1	−1.3	−1.3	−0.3	−5.8	−10.9
O	0.0	−1.3	−1.2	−1.1	−1.0	−1.1	−1.0	−1.0	−1.1	−1.1	−0.1	−5.7	−10.0
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation (400):													
BA	0.0	−2.5	−3.5	−4.7	−5.6	−6.8	−8.0	−9.3	−10.6	−12.0	−13.4	−23.1	−76.4
O	0.0	−2.2	−2.7	−3.5	−5.9	−7.5	−9.0	−10.4	−11.8	−13.2	−14.6	−21.8	−80.8
Community and Regional Development (450):													
BA	0.0	−4.5	−3.8	−3.8	−3.6	−3.6	−3.6	−3.6	−3.6	−3.6	−3.6	−19.3	−37.3
O	0.0	−0.2	−1.9	−3.9	−4.1	−4.2	−4.3	−4.2	−4.3	−4.4	−4.4	−14.3	−35.9
Elementary and Secondary Education (501):													
BA	0.0	1.2	1.3	1.7	3.1	4.1	4.1	4.1	4.1	4.1	4.1	11.4	31.9
O	0.0	0.1	0	0.1	1.7	2.8	3.9	4.2	4.3	4.3	4.3	4.7	25.7
Training, Employment and Social Services (502–506):													
BA	0.5	−3.3	−5.1	−5.0	−5.0	−5.0	−5.0	−5.1	−5.1	−5.0	−6.1	−23.4	−49.7
O	0.5	−0.8	−5.0	−5.5	−5.7	−5.4	−5.4	−5.4	−5.4	−5.3	−6.3	−22.4	−50.2
Health (550):													
BA	0.0	−1.5	−2.7	−3.0	−3.8	−4.1	−4.6	−5.3	−6.0	−6.6	−7.4	−15.1	−45.0
O	0.0	−0.6	−3.0	−3.4	−4.1	−4.3	−4.8	−5.4	−6.0	−6.7	−7.4	−15.4	−45.7
Medicare (570):													
BA	0.0	1.3	2.1	1.8	1.9	1.9	2.0	2.0	2.2	2.4	2.6	9.0	20.2
O	0.0	1.4	2.2	1.8	1.9	1.9	2.0	2.0	2.2	2.4	2.6	9.2	20.4

Income Security (600):													
BA	0.0	−12.2	−18.4	−19.3	−14.1	−15.6	−16.5	−19.3	−21.0	−22.6	−24.4	−79.6	−183.4
O	0.0	−11.5	−14.3	−18.3	−18.4	−18.0	−16.9	−19.5	−21.2	−22.6	−24.4	−80.5	−185.1
Social Security (650):													
BA	0.0	−17.9	−14.9	−19.3	−19.3	−23.2	−25.6	−32.1	−37.5	−43.2	−49.1	−94.6	−282.1
O	0.0	−17.9	−14.9	−19.3	−19.3	−23.2	−25.6	−32.1	−37.5	−43.2	−49.1	−94.6	−282.1
On-budget:													
BA	0.0	−84.8	−71.1	−91.7	−90.4	−109.0	−120.6	−151.7	−177.4	−204.7	−232.4	−447.0	−1,333.8
O	0.0	−84.8	−71.1	−91.7	−90.4	−109.0	−120.6	−151.7	−177.4	−204.7	−232.4	−447.0	−1,333.8
Off-budget:													
BA	0.0	66.9	56.2	72.4	71.1	85.8	95.0	119.5	139.8	161.4	183.2	352.4	1,051.3
O	0.0	66.9	56.2	72.4	71.1	85.8	95.0	119.5	139.8	161.4	183.2	352.4	1,051.3
Veterans Benefits and Services (700):													
BA	0.0	0.9	−0.2	−0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.4	1.2	3.1
O	0.0	1.1	0.1	−0.2	0.5	0.4	0.5	0.4	0.4	0.4	0.4	1.9	4.0
Administration of Justice (750):													
BA	0.0	−3.2	−2.3	−2.5	−2.3	−0.7	−0.5	−0.4	−0.2	−0.1	0.1	−11.0	−12.1
O	0.0	−1.3	−2.1	−2.2	−2.6	−0.9	−0.6	−0.4	−0.3	−0.1	0.1	−9.1	−10.4
General Government (800):													
BA	0.0	−1.4	−2.7	−2.2	−2.3	−2.3	−2.3	−2.3	−2.3	−2.4	−2.3	−10.9	−22.5
O	0.0	−1.4	−2.1	−2.1	−2.1	−2.2	−2.3	−2.4	−2.4	−2.4	−2.3	−9.9	−21.7
Net Interest (900):													
BA	0.0	−1.1	−3.8	−6.5	−9.1	−11.7	−14.3	−16.7	−18.5	−20.3	−22.3	−32.2	−124.3
O	0.0	−1.1	−3.8	−6.5	−9.1	−11.7	−14.3	−16.7	−18.5	−20.3	−22.3	−32.2	−124.3
On-budget:													
BA	0.0	−2.6	−8.4	−14.6	−21.3	−28.5	−36.5	−45.5	−55.3	−66.6	−79.7	−75.4	−359.0
O	0.0	−2.6	−8.4	−14.6	−21.3	−28.5	−36.5	−45.5	−55.3	−66.6	−79.7	−75.4	−359.0
Off-budget:													
BA	0.0	1.5	4.6	8.1	12.2	16.8	22.2	28.8	36.8	46.3	57.4	43.2	234.7
O	0.0	1.5	4.6	8.1	12.2	16.8	22.2	28.8	36.8	46.3	57.4	43.2	234.7
Allowances (920):													
BA	−3.3	−8.0	−11.5	−12.4	−13.4	−16.5	−16.8	−17.3	−18.2	−18.7	−19.1	−61.8	−151.9
O	−0.9	−9.5	−15.2	−24.4	−11.8	−14.9	−16.6	−17.5	−18.5	−19.1	−19.4	−75.8	−166.9
Undistributed Offsetting Receipts (950):													
BA	0.0	0.8	2.5	−0.5	1.2	1.4	1.7	2.0	2.3	2.5	2.8	5.4	16.7
O	0.0	0.8	2.5	−0.5	1.2	1.4	1.7	2.0	2.3	2.5	2.8	5.4	16.7
On-budget:													
BA	0.0	0.8	2.5	−0.5	1.2	1.4	1.7	2.0	2.3	2.5	2.8	5.4	16.7
O	0.0	0.8	2.5	−0.5	1.2	1.4	1.7	2.0	2.3	2.5	2.8	5.4	16.7

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

[In billions of dollars]

	Fiscal year—												
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2004	2000–2009
Off-budget:													
BA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999
TOTAL SPENDING AND REVENUES
[In billion of dollars]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SUMMARY										
Total Spending:										
BA	22.4	64.2	105.1	188.9	255.3	323.3	370.0	441.3	520.2	602.3
O	31.3	70.7	100.5	190.2	255.0	324.3	367.2	432.4	514.9	596.7
On-Budget:										
BA	11.7	41.0	72.0	143.0	196.3	250.2	281.7	337.1	398.4	459.1
O	20.6	47.5	67.4	144.3	196.0	251.2	278.9	328.2	393.1	453.5
Off-Budget:										
BA	10.7	23.2	33.1	45.9	59.0	73.1	88.3	104.2	121.8	143.2
O	10.7	23.2	33.1	45.9	59.0	73.1	88.3	104.2	121.8	143.2
Revenues:										
Total	60.5	107.1	146.5	243.9	318.0	411.8	470.2	545.4	641.2	732.7
On-Budget	38.6	65.5	86.4	162.7	214.3	281.1	314.5	363.3	432.9	497.6
Off-Budget	21.9	41.6	60.1	81.2	103.7	130.7	155.7	182.1	208.3	235.1
Surplus/Deficit (-):										
Total	29.3	36.4	45.9	53.5	62.9	87.6	102.9	112.8	126.0	135.9
On-Budget	18.2	17.9	18.9	18.2	18.1	30.1	35.5	35.0	39.5	43.9
Off-Budget	11.1	18.5	27.0	35.3	44.8	57.5	67.4	77.8	86.5	92.0
BY FUNCTION										
National Defense (050):										
BA	9.8	24.6	29.1	39.2	48.1	49.3	50.6	51.8	53.1	54.4
O	1.5	12.8	18.6	30.5	40.3	43.6	42.0	40.6	44.0	44.9
International Affairs (150):										
BA	−5.3	−5.9	−6.8	−5.0	−3.1	−2.9	−2.7	−2.6	−2.6	−2.6
O	−0.3	0.3	−0.4	−1.2	−1.5	−1.9	−2.2	−2.4	−2.6	−2.7
General Science, Space, and Technology (250):										
BA	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9	−0.9
O	0.0	−0.3	−0.4	−0.5	−0.5	−0.5	−0.5	−0.5	−0.5	−0.5
Energy (270):										
BA	−1.1	−2.6	−1.3	−1.2	−1.5	−1.6	−1.6	−1.6	−1.3	−1.2
O	−1.3	−3.8	−1.8	−1.9	−2.1	−2.1	−2.1	−2.1	−1.8	−1.7

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999—Continued
TOTAL SPENDING AND REVENUES
[In billion of dollars]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Natural Resources and Environment (300):										
BA	−1.4	−1.7	−1.8	−1.7	−0.7	−0.7	−0.6	−0.5	−0.6	−0.2
O	−0.8	−1.4	−2.0	−0.9	0.1	0.0	0.0	0.0	−0.1	0.3
Agriculture (350):										
BA	−8.1	−8.9	−10.7	−10.5	−10.4	−11.9	−11.9	−11.7	−11.7	−11.6
O	−7.3	−9.1	−10.4	−10.2	−9.9	−10.5	−11.3	−11.3	−11.3	−11.2
Commerce and Housing Credit (370):										
BA	7.7	8.4	11.9	12.6	11.9	10.7	10.7	10.7	10.7	11.5
O	3.4	4.6	8.7	10.0	9.6	8.6	8.3	8.0	7.6	8.0
On-budget:										
BA	7.9	8.7	12.5	12.6	11.9	10.7	10.7	10.7	10.7	11.5
O	3.6	4.9	9.3	10.0	9.6	8.6	8.3	8.0	7.6	8.0
Off-budget:										
BA	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
O	−0.2	−0.3	−0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transportation (400):										
BA	0.5	−0.3	−0.4	1.0	1.0	1.1	1.1	1.1	1.2	1.2
O	1.9	3.7	3.3	2.8	2.3	2.1	2.1	2.1	2.1	2.1
Community and Regional Development (450):										
BA	−2.8	−4.9	−4.9	−4.6	−4.6	−4.6	−4.6	−4.6	−4.6	−4.6
O	−0.7	−2.3	−4.3	−5.3	−5.9	−6.6	−6.9	−7.0	−7.1	−7.1
Elementary and Secondary Education (501):										
BA	5.2	7.2	7.6	9.0	10.0	10.0	10.0	10.0	10.0	10.0
O	2.3	4.1	4.9	6.6	7.8	8.7	9.0	9.0	9.0	9.0
Training, Employment and Social Services (502–506):										
BA	−0.9	−2.7	−3.0	−1.5	−1.1	−0.3	0.4	1.3	2.3	2.3
O	1.5	−0.1	−1.0	0.0	0.3	0.9	1.7	2.5	3.5	3.5
Health (550):										
BA	8.7	16.6	25.8	37.2	50.4	65.3	80.9	98.9	117.7	138.0
O	12.3	21.6	33.1	44.6	57.8	71.9	87.6	104.8	123.7	144.2
Medicare (570):										
BA	13.4	26.9	35.4	55.5	73.3	100.3	111.5	142.3	170.4	198.8

O	14.1	27.7	35.6	56.3	74.1	100.6	112.3	143.2	170.6	199.6
Income Security (600):										
BA	9.2	15.2	27.5	41.8	51.0	63.3	69.5	75.4	88.7	98.9
O	9.9	19.3	28.8	38.6	47.8	60.6	67.0	73.4	87.2	97.5
Social Security (650):										
BA	16.6	35.5	55.3	76.4	99.2	123.9	150.3	178.1	208.4	243.0
O	16.6	35.3	55.1	76.2	99.0	123.8	150.1	177.9	208.2	242.8
On-budget:										
BA	−0.3	−0.7	1.1	1.8	2.6	3.4	4.4	5.4	6.5	7.7
O	−0.3	−0.9	0.9	1.6	2.4	3.3	4.2	5.2	6.3	7.5
Off-budget:										
BA	16.9	36.2	54.2	74.6	96.6	120.5	145.9	172.7	201.9	235.3
O	16.9	36.2	54.2	74.6	96.6	120.5	145.9	172.7	201.9	235.3
Veterans Benefits and Services (700):										
BA	1.7	1.2	1.7	2.9	3.2	5.7	4.2	4.8	5.4	6.1
O	2.1	2.0	2.2	3.4	3.8	6.4	4.9	3.3	6.1	6.7
Administration of Justice (750):										
BA	−3.2	−2.2	−2.2	−2.1	−0.5	−0.3	−0.3	−0.3	−0.2	−0.2
O	0.3	0.0	−0.2	−0.7	1.0	1.1	1.2	1.2	1.3	1.3
General Government (800):										
BA	−4.9	−5.3	−5.2	−5.1	−5.1	−5.1	−5.1	−5.1	−5.1	−5.3
O	−2.3	−3.1	−3.5	−3.6	−3.6	−3.8	−3.9	−3.9	−3.7	−3.8
Net Interest (900):										
BA	−11.7	−22.4	−33.1	−43.0	−52.9	−64.2	−76.1	−87.9	−100.9	−114.0
O	−11.7	−22.4	−33.1	−43.0	−52.9	−64.2	−76.1	−87.9	−100.9	−114.0
On-budget:										
BA	−6.3	−10.8	−14.4	−16.7	−18.4	−20.8	−23.2	−24.8	−27.1	−29.1
O	−6.3	−10.8	−14.4	−16.7	−18.4	−20.8	−23.2	−24.8	−27.1	−29.1
Off-budget:										
BA	−5.4	−11.6	−18.7	−26.3	−34.5	−43.4	−52.9	−63.1	−73.8	−84.9
O	−5.4	−11.6	−18.7	−26.3	−34.5	−43.4	−52.9	−63.1	−73.8	−84.9
Allowances (920):										
BA	−8.0	−8.5	−6.4	−4.4	−4.5	−4.5	−4.6	−5.2	−5.3	−5.3
O	−8.1	−12.9	−20.0	−4.8	−5.0	−5.1	−5.2	−5.8	−5.9	−5.9
Undistributed Offsetting:										
BA	−2.1	−5.3	−12.7	−6.7	−7.5	−9.3	−10.8	−12.7	−14.5	−16.3
O	−2.1	−5.3	−12.7	−6.7	−7.5	−9.3	−10.8	−12.7	−14.5	−16.3
Receipts (950):										
On-budget:										
BA	−1.5	−4.2	−10.9	−4.3	−4.4	−5.3	−6.1	−7.3	−8.2	−9.1

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999—Continued

TOTAL SPENDING AND REVENUES

[In billion of dollars]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
O	−1.5	−4.2	−10.9	−4.3	−4.4	−5.3	−6.1	−7.3	−8.2	−9.1
Off-budget:										
BA	−0.6	−1.1	−1.8	−2.4	−3.1	−4.0	−4.7	−5.4	−6.3	−7.2
O	−0.6	−1.1	−1.8	−2.4	−3.1	−4.0	−4.7	−5.4	−6.3	−7.2

Note: Function 150 Budget Authority excludes 1999 IMF budget authority in the amount of $17.9 billion.

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999 TOTAL SPENDING AND REVENUES

[Percentage change]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SUMMARY										
Total Spending:										
BA	0.2	2.6	5.0	9.8	13.6	17.5	20.1	24.2	28.7	33.4
O	1.8	4.1	5.9	11.2	15.0	19.0	21.6	25.4	30.2	35.0
On-Budget:										
BA	−0.4	1.6	3.8	8.7	12.5	16.2	18.4	22.3	26.6	30.8
O	1.5	3.4	4.9	10.4	14.1	18.1	20.1	23.7	28.3	32.7
Off-Budget:										
BA	3.4	7.3	10.5	14.5	18.6	23.1	27.9	33.0	38.5	45.3
O	3.4	7.3	10.5	14.5	18.6	23.1	27.9	33.0	38.5	45.3
Revenues:										
Total	3.3	5.9	8.1	13.4	17.5	22.7	25.9	30.0	35.3	40.3
On-Budget	2.8	4.8	6.3	11.9	15.6	20.5	23.0	26.5	31.6	36.3
Off-Budget	4.9	9.3	13.5	18.2	23.2	29.3	34.9	40.8	46.7	52.7
Surplus/Deficit (-):										
Total	26.2	32.5	41.0	47.8	56.2	78.2	91.9	100.7	112.5	121.3
On-Budget	−102.3	−100.8	−106.5	−102.4	−101.8	−169.0	−199.6	−196.8	−222.1	−247.1
Off-Budget	8.6	14.2	20.8	27.2	34.5	44.3	51.9	60.0	66.6	70.9
BY FUNCTION										
National Defense (050):										
BA	3.5	8.8	10.4	14.1	17.3	17.7	18.1	18.6	19.0	19.5
O.	0.5	4.7	6.8	11.2	14.8	15.9	15.4	14.9	16.1	16.4
International Affairs (150):										
BA	−32.3	−35.7	−40.9	−30.0	−18.5	−17.5	−16.2	−15.9	−15.4	−15.7
O	−2.2	1.9	−2.7	−8.1	−10.0	−12.7	−14.6	−15.9	−17.3	−18.3
General Science, Space, and Technology (250):										
BA	−4.7	−4.8	−5.0	−5.0	−5.0	−5.0	−5.0	−5.0	−5.0	−5.0
O	−0.1	−1.8	−2.0	−2.5	−2.5	−2.5	−2.6	−2.6	−2.6	−2.6
Energy (270):										
BA	−95.7	−226.0	−114.3	−107.4	−128.0	−139.2	−139.7	−144.4	−118.3	−106.7
O	−196.0	−563.2	−268.1	−283.6	−304.0	−314.5	−314.6	−311.4	−267.9	−257.6

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999—Continued
TOTAL SPENDING AND REVENUES
[Percentage change]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Natural Resources and Environment (300):										
BA	−5.7	−7.1	−7.3	−7.1	−3.0	−2.8	−2.7	−2.2	−2.3	−0.7
O	−3.4	−6.0	−8.6	−3.7	0.3	0.0	0.1	−0.1	−0.3	1.3
Agriculture (350):										
BA	−36.2	−39.8	−47.5	−46.8	−46.2	−53.0	−52.8	−52.3	−52.1	−51.7
O	−35.6	−44.8	−50.9	−49.8	−48.5	−51.6	−55.5	−55.2	−55.1	−54.9
Commerce and Housing Credit (370):										
BA	401.2	432.6	614.8	652.0	617.3	555.3	554.0	555.6	554.3	594.4
O	408.9	543.4	1032.6	1190.0	1138.3	1019.5	983.0	953.3	902.4	946.7
On-budget:										
BA	410.6	449.7	647.9	652.0	617.3	555.3	554.0	555.6	554.3	594.4
O	430.2	582.6	1108.5	1190.0	1138.3	1019.5	983.0	953.3	902.4	946.7
Off-budget:										
BA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
O	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transportation (400):										
BA	1.0	−0.5	−0.8	1.9	2.0	2.1	2.1	2.2	2.2	2.3
O	4.2	8.5	7.5	6.4	5.2	4.8	4.7	4.7	4.7	4.8
Community and Regional Development (450):										
BA	−27.6	−47.9	−47.8	−44.6	−45.0	−45.1	−45.1	−45.2	−45.2	−45.1
O	−6.5	−20.3	−38.1	−46.4	−51.7	−57.9	−60.2	−61.2	−62.1	−62.4
Elementary and Secondary Education (501):										
BA	31.1	43.0	45.4	53.7	59.7	59.7	59.7	59.7	59.7	59.7
O	12.8	23.0	27.4	37.1	43.6	48.9	50.3	50.6	50.6	50.6
Training, Employment and Social Services (502–506):										
BA	−2.1	−6.2	−6.8	−3.3	−2.6	−0.7	1.0	3.0	5.3	5.1
O	3.6	−0.3	−2.5	−0.1	0.7	2.2	4.1	6.1	8.4	8.3
Health (550):										
BA	5.9	11.3	17.5	25.2	34.2	44.3	54.8	67.0	79.8	93.6
O	8.7	15.4	23.5	31.7	41.1	51.1	62.3	74.5	87.9	102.5
Medicare (570):										
BA	6.9	13.8	18.1	28.4	37.6	51.4	57.1	72.9	87.3	101.9

O	7.2	14.2	18.3	28.9	38.1	51.7	57.7	73.6	87.7	102.6
Income Security (600):										
BA	3.9	6.5	11.7	17.8	21.7	26.9	29.6	32.1	37.7	42.1
O	4.2	8.1	12.1	16.2	20.1	25.4	28.1	30.8	36.6	41.0
Social Security (650):										
BA	4.3	9.1	14.1	19.6	25.4	31.7	38.5	45.6	53.4	62.2
O	4.2	9.0	14.1	19.5	25.3	31.7	38.4	45.5	53.3	62.1
On-budget:										
BA	−1.9	−5.1	7.3	12.3	17.7	23.7	30.2	37.1	44.9	53.2
O	−2.2	−6.3	6.0	10.9	16.3	22.2	28.6	35.5	43.2	51.3
Off-budget										
BA	4.5	9.6	14.4	19.8	25.7	32.0	38.8	45.9	53.7	62.6
O	4.5	9.6	14.4	19.8	25.7	32.0	38.8	45.9	53.7	62.6
Veterans Benefits and Services (700):										
BA	3.9	2.8	3.9	6.6	7.4	13.3	9.8	11.1	12.6	14.1
O	5.0	4.8	5.1	8.0	8.8	14.8	11.4	7.7	14.1	15.7
Administration of Justice (750):										
BA	−12.2	−7.6	−7.6	−7.9	−1.8	−1.3	−1.2	1.0	−0.9	−0.7
O	1.0	0.1	−0.6	−2.7	4.0	4.5	4.6	4.8	5.0	5.1
General Government (800):										
BA	−28.4	−30.8	−30.0	−29.8	−29.8	−29.7	−29.5	−29.5	−29.3	−29.3
O	−14.4	−20.0	−22.0	−22.9	−22.6	−24.4	−24.8	−24.6	−23.4	−24.2
Net Interest (900):										
BA	−5.1	−9.8	−14.4	−18.8	−23.1	−28.0	−33.2	−38.3	−44.0	−49.7
O	−5.1	−9.8	−14.4	−18.8	−23.1	−28.0	−33.2	−38.3	−44.0	−49.7
On-budget:										
BA	−2.2	−3.8	−5.1	−5.9	−6.5	−7.4	−8.2	−8.8	−9.6	−10.3
O	−2.2	−3.8	−5.1	−5.9	−6.5	−7.4	−8.2	−8.8	−9.6	−10.3
Off-budget:										
BA	10.3	22.2	35.6	50.2	65.9	82.8	101.0	120.4	140.8	162.1
O	10.3	22.2	35.6	50.2	65.9	82.8	101.0	120.4	140.8	162.1
Allowances (920):										
BA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
O	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Undistributed Offsetting:										
BA	5.4	13.1	31.6	16.7	18.7	23.2	26.8	31.8	36.2	40.7
O	5.4	13.1	31.6	16.7	18.7	23.2	26.8	31.8	36.2	40.7
Receipts (950):										
On-budget:										
BA	4.7	12.7	33.3	13.1	13.4	16.3	18.5	22.4	25.0	27.7

HOUSE BUDGET COMMITTEE RECOMMENDATION COMPARED TO 1999—Continued

TOTAL SPENDING AND REVENUES

[Percentage change]

	Fiscal year—									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
O	4.7	12.7	33.3	13.1	13.4	16.3	18.5	22.4	25.0	27.7
Off-budget:										
BA	8.4	14.9	24.0	32.9	42.5	53.8	63.6	73.4	86.0	98.1
O	8.4	14.9	24.0	32.9	42.5	53.8	63.6	73.4	86.0	98.1

Note: Function 150 Budget Authority excludes 1999 IMF budget authority in the amount of $17.9 billion.

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, or deficit reduction targets. The report accompanying the budget resolution allocates to the Appropriations Committee and authorizing committees their respective shares of 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.

Budget resolutions have traditionally included 5-year allocations of budget authority and outlays for each of the authorizing committees. This budget resolution provides for 10-year allocations of budget authority and outlays for each of the authorizing committees. The flexibility to provide 10-year allocations is found in section 302 of the Budget Act (as modified by the Balanced Budget Act of 1997) which 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.

Term. The allocation to the Appropriations Committee is for the fiscal year commencing on October 1, 1999. Unlike the authorizing committees, the Appropriations Committee does not receive a 10-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 under 302(b).

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 10-year total for fiscal year 2000 through fiscal year 2009. Authorizing committees are not required to file 302(b) allocations.

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).

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 Budget Act.

The allocations for fiscal year 2000, and fiscal years 2000 through 2009, are as follows:

ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES

Appropriations Committee

[In millions of dollars]

Fiscal year 2000	Budgut authority	Outlays
General Purpose [1]	531,771	536,700
Violent Crime Reduction [1]	4,500	5,554
Highways [1]	0	24,574
Mass Transit [1]	0	4,117
Total Discretionary Action	536,271	570,945
Current Law Mandatory	321,108	303,938

[1] Shown for display purposes only.

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

[By budget year]

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total 20002004	Total 20002009
AGRICULTURE COMMITTEE												
Current Law:												
BA	11,042	8,795	6,983	2,709	2,579	2,637	2,686	2,743	2,792	3,222	32,108	46,188
OT	8,134	5,109	3,999	-259	-174	-160	-169	-146	-196	172	16,809	16,310
Reauthorizations:												
BA	0	0	0	28,391	29,177	29,873	30,549	31,282	31,964	32,701	57,568	213,937
OT	0	0	0	27,737	29,167	29,864	30,530	31,262	31,945	32,681	56,904	213,186
Discretionary Action:												
BA	0	1,415	1,465	1,525	1,595	0	0	0	0	0	6,000	6,000
OT	0	700	1,411	1,495	1,559	835	0	0	0	0	5,165	6,000
Total:												
BA	11,042	10,210	8,448	32,625	33,351	32,510	33,235	34,025	34,756	35,923	95,676	266,125
OT	8,134	5,809	5,410	28,973	30,552	30,539	30,361	31,116	31,749	32,853	78,878	235,496
ARMED SERVICES COMMITTEE												
Current Law:												
BA	49,330	50,977	52,705	54,405	56,367	58,198	60,111	62,038	63,980	66,038	263,784	574,149
OT	49,415	50,940	52,597	54,315	56,276	58,107	60,018	61,944	63,885	65,942	263,543	573,439
BANKING AND FINANCIAL SERVICES COMMITTEE												
Current Law:												
BA	4,676	5,345	5,319	5,619	4,946	5,303	5,488	5,748	5,924	6,075	25,905	54,443
OT	-1,839	-675	-169	327	-80	386	235	54	-178	-387	-2,436	-2,326
COMMITTEE ON EDUCATION AND THE WORKFORCE												
Current Law:												
BA	4,790	5,222	5,508	5,403	5,154	5,367	5,578	5,807	6,021	6,234	26,077	55,084
OT	4,188	4,618	4,969	5,016	4,811	4,871	5,070	5,277	5,477	5,668	23,602	49,965
Reauthorizations:												
BA	....	....	305	305	810	835	859	3,692	3,791	3,893	1,420	14,490
OT	....	....	58	244	721	831	856	2,846	3,680	3,864	1,023	13,100
Discretionary Action:												
BA	0	0	0	0	0	0	0	0	0	0	0	0
OT	0	0	0	0	0	0	0	0	0	0	0	0

Total:												
BA	4,790	5,222	5,813	5,708	5,964	6,202	6,437	9,499	9,812	10,127	27,497	69,574
OT	4,188	4,618	5,027	5,260	5,532	5,702	5,926	8,123	9,157	9,532	24,625	63,065
COMMERCE COMMITTEE												
Current Law:												
BA	10,268	12,255	15,762	16,037	16,327	17,417	17,508	18,551	18,643	18,638	70,649	161,406
OT	8,365	10,951	16,470	16,962	17,327	17,630	17,849	18,072	18,300	18,335	70,075	160,261
INTERNATIONAL RELATIONS COMMITTEE												
Current Law:												
BA	9,362	9,171	8,509	7,860	7,734	7,876	7,740	7,721	7,965	7,924	42,636	81,862
OT	11,984	11,553	11,608	9,397	8,411	8,384	8,018	7,898	8,014	7,992	52,953	93,259
GOVERNMENT REFORM COMMITTEE												
Current Law:												
BA	59,501	61,320	63,344	65,557	67,979	70,502	73,076	75,755	78,591	81,514	317,701	697,139
OT	57,941	59,703	61,674	63,848	66,208	68,662	71,162	73,746	76,482	78,953	309,374	678,379
COMMITTEE ON HOUSE ADMINISTRATION												
Current Law:												
BA	114	95	93	93	93	94	92	92	92	92	488	950
OT	289	45	28	57	241	56	30	63	233	98	660	1,140
RESOURCES COMMITTEE												
Current Law:												
BA	2,398	2,301	2,127	2,166	2,098	2,111	2,150	2,190	2,238	2,367	11,090	22,146
OT	2,271	2,319	2,125	2,191	2,161	2,175	2,247	2,315	2,378	2,444	11,067	22,626
JUDICIARY COMMITTEE												
Current Law:												
BA	4,759	4,737	4,704	4,773	4,818	3,364	3,445	3,502	3,566	3,647	23,791	41,315
OT	4,235	4,529	4,620	4,681	4,727	3,283	3,339	3,393	3,449	3,519	22,792	39,775
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE												
Current Law:												
BA	51,081	50,632	51,684	52,832	15,100	15,178	15,371	15,528	16,091	16,520	221,329	300,017
OT	16,152	16,151	15,992	15,997	15,694	15,482	15,489	15,537	16,040	16,441	79,986	158,975
Reauthorizations:												
BA	0	0	0	0	37,673	37,673	37,673	37,673	37,673	37,673	37,673	226,038
OT	0	0	0	0	104	306	452	538	590	615	104	2,605

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

[By budget year]

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total 20002004	Total 20002009
Discretionary Action:												
BA	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	12,050	24,100
OT	0	0	0	0	0	0	0	0	0	0	0	0
Total:												
BA	53,491	53,042	54,094	55,242	55,183	55,261	55,454	55,611	56,174	56,603	271,052	550,155
OT	16,152	16,151	15,992	15,997	15,798	15,788	15,941	16,075	16,630	17,056	80,090	161,580
SCIENCE COMMITTEE												
Current Law:												
BA	92	83	49	49	49	49	49	49	49	49	322	567
OT	72	80	80	58	51	49	49	49	49	49	341	586
SMALL BUSINESS COMMITTEE												
Current Law:												
BA	0	0	0	0	0	0	0	0	0	0	0	0
OT	-155	-140	-125	-110	-95	-75	-55	-35	-20	-10	-625	-820
VETERANS' AFFAIRS COMMITTEE												
Current Law:												
BA	1,106	1,058	1,002	1,044	887	813	746	689	629	566	5,097	8,540
OT	1,377	1,440	1,371	1,481	1,416	1,380	1,358	1,331	1,312	1,280	7,085	13,746
Discretionary Action:												
BA	394	874	1,367	1,868	2,390	3,132	3,475	4,036	4,610	5,199	6,893	27,345
OT	360	833	1,325	1,824	2,347	3,132	3,475	3,694	4,562	5,150	6,689	26,702
Total:												
BA	1,500	1,932	2,369	2,912	3,277	3,945	4,221	4,725	5,239	5,765	11,990	35,885
OT	1,737	2,273	2,696	3,305	3,763	4,512	4,833	5,025	5,874	6,430	13,774	40,448
WAYS AND MEANS COMMITTEE												
Current Law:												
BA	668,264	685,703	697,617	702,501	724,818	754,418	766,064	796,757	822,906	848,254	3,478,903	7,467,302
OT	663,521	681,362	693,683	701,623	723,563	752,546	764,688	795,366	820,845	846,731	3,463,752	7,443,928
Reauthorizations:												
BA	0	0	0	19,542	19,542	19,542	19,542	19,542	19,542	19,542	39,084	136,794
OT	0	0	0	17,559	18,667	19,317	19,967	20,667	21,367	22,117	36,226	139,661

Discretionary Action:												
BA	0	400	400	600	600	600	600	600	600	600	2,000	5,000
OT	0	400	400	600	600	600	600	600	600	600	2,000	5,000
Total:												
BA	668,264	686,103	698,017	722,643	744,960	774,560	786,206	816,899	843,048	868,396	3,519,987	7,609,096
OT	663,521	681,762	694,083	719,782	742,830	772,463	785,255	816,633	842,812	869,448	3,501,978	7,588,589

SAFE DEPOSIT BOX FOR SOCIAL SECURITY TRUST FUNDS

Section 5 establishes a safe deposit 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 first 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.

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 (1) clarifies that, for purposes of this section, the deficit levels are those set forth in the resolution pursuant to section 301 of the Budget Act. They may not include any adjustment to those aggregates for rulemaking provisions that provide for contingent adjustments in the aggregates for legislation that would strengthen retirement security, or extend the solvency of Medicare or reform its benefit or payment structure. Consistent with the enforcement of comparable requirements in the Congressional Budget Act, this rule may only be waived by a majority of the House and 60 Members of the Senate.

Subsection (c) states that it is the sense of Congress that Congress should consider legislation that changes the budgetary treatment of Social Security in two ways. First of all, paragraph (1) provides that Congress should consider legislation that would establish a statutory limit on debt held by the public at levels that assume a reduction equal the amount of the Social Security surpluses. By reducing the debt held by the public by the amount of the Social Security surpluses, these surpluses would effectively be used to reduce the Federal debt.

Secondly, paragraph (2) states that legislation should be considered that would require that any official statement on the surpluses or deficit totals of the Federal government to exclude the outlays and receipts of the Social Security trust funds and related provisions in the Internal Revenue Code. This requirement specifically extends to the Office of Management and Budget, the Congressional Budget Office, and "any other agency or instrumentality of the *Federal* Government" (italics added). Similar language has been introduced as part of such freestanding bills as H.R. 863, offered by Representatives Herger and Minge; and H.R. 853, offered by Representatives Nussle, Cardin, and Goss (which is virtually identical to H.R. 4837 (105th Congress)).

RESERVE FUNDS

Section 6 establishes a reserve fund for retirement security and Medicare legislation. This so-called reserve fund is actually a set of procedures for adjusting the levels in the budget resolution to accommodate retirement security and Medicare legislation. The sum of any adjustments under this section may not exceed the projected Social Security surpluses.

The adjustments are solely for legislation that would strengthen retirement security or reform Medicare. The committee intends that any retirement security legislation under this section would augment and strengthen the Social Security program without directly amending the Social Security Act (since the Social Security program is technically outside the congressional budget process). It similarly intends that any Medicare legislation considered under this section would be in response to the President's Medicare Commission. Although the legislation need not be actually recommended by the Commission, it must extend the solvency of Medicare or reform its benefit or payment structure.

Any adjustments are at the discretion of the Budget Committee chairman, but if the chairman makes the adjustments it must be in the amount the spending authority or revenue loss provided by, or resulting from, the legislation. However, the maximum adjustments for all bills considered pursuant to this section is an amount equal to the projected Social Security surpluses. If such legislation is considered before the mid-session report, the projected on-budget surplus is based on the levels set forth in this report. If the legislation is considered after CBO's mid-session report, then the levels are based on the projected levels in that report. Finally, subsection (c) specifies that no adjustment may be made if the legislation, together with any other legislation considered under this section, would exceed the estimated Social Security surplus for any of the following intervals: fiscal year 2000, the 5-year total, or the 10-year total. Accordingly, the Congressional Budget Office [CBO] is directed to include an up-to-date estimate of the Social Security surpluses in its mid-session report.

The adjustments are to be made when the bill is reported from committee, an amendment is offered to the bill, or the conference report accompanying the bill is filed. The adjustments must be made at the specified times or the legislation could breech the appropriate allocations and aggregates in the budget resolution and hence be subject to a point of order.

Section 7 also provides a reserve fund for special education. Like the reserve fund for retirement security and Medicare in section 6, this reserve fund includes procedures to increase the appropriate levels in the budget resolution for legislation providing appropriations for special education. The amount of any adjustment is capped at an amount equal to any projected increase in the on-budget surplus.

The adjustment is at the discretion of the Budget Committee chairman who will consult with the other members of the Budget Committee in making any adjustments. The adjustment may be in any amount up to the amount appropriated for special education, but not to exceed an amount consistent with a Federal contribution of 40 percent of the authorized levels. To ensure that appropriations for special education do not come out of the Social Security surpluses, the maximum adjustment in any fiscal year may not exceed an up-to-date projection of the on-budget surplus for that fiscal year.

The adjustments are to be made when the appropriate bill is reported, an amendment to the bill is offered, or the conference report accompanying the bill is filed. Subsection (c) directs the Director of the Congressional Budget Office to provide up-to-date estimates of the surplus at the request of the chairman of the House Budget Committee.

Section 8 clarifies the applications and effect of any adjustments pursuant to sections 6 and 7. Subsection (a) clarifies that the adjustment applies only when the bill is under consideration and does not permanently take effect until the bill is enacted. Subsection (a) also requires the Budget Committee Chairman to submit any revised allocations in the Congressional Record.

Subsection (b) clarifies that the adjusted allocations and aggregates are effective for "all purposes under the Budget Act." In other words, any bill that exceeds the adjusted allocations or aggregates is subject to a point of order under 302(f) and 311(a) of the Congressional Budget Act. Similarly, any tax bill that would reduce revenues below the adjusted revenue levels would be subject to a point of order under section 311(a).

CBO's updated budget projections

Section 9 directs the Director of the Congressional Budget Office to make up-to-date budgetary estimates of the current fiscal year on a quarterly basis. These estimates are to include the estimated outlays, receipts, and surplus. Additionally, these estimates must include both on and off-budget amounts. Currently, CBO makes adjustments in its Budget and Economic Outlook in early February, the re-estimate of the President's budget in March or April, and in the mid session update in August. In addition, CBO provides monthly comparisons between CBO's budgetary projections and actual cash flows based on monthly statements from the Department of the Treasury.

RECONCILIATION INSTRUCTIONS

As provided in Section 310(a) of the Congressional Budget Act of 1974, the budget resolution includes reconciliation instructions to the Ways and Means Committee to report to the House changes in tax law necessary to achieve the revenue targets in the budget resolution.

Term. The reconciliation targets are for fiscal year 2000; the 5-year total for fiscal years 2000 through 2004; and 10-year total for fiscal years 2000 through 2009. The Ways and Means Committee has discretion in the levels that it would achieve in any given year in fiscal years 2001 through fiscal year 2009, so long as the committee complies with its targets for the first year and the 5-year and 10-year totals.

HOUSE BUDGET COMMITTEE RECOMMENDATION
FISCAL YEAR 2000 BUDGET RESOLUTION RECONCILIATION BY HOUSE COMMITTEE

[In billions of dollars]

Committee	1999 Base	2000	2000 to 2004	2000 to 2009
Ways & Means				
Total Revenues	1,369.9	1,408.5	7,416.8	16,155.7

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. Legislation that would breach the levels set forth in the budget resolution is 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 breeches the allocations and 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 10-year total for authorizing committees. For appropriations bills, however, it applies only to the budget year. An exception is provided for legislation that is offset by tax increases above and beyond those 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 outyear 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 10-year total for bills increasing revenue, but only to the budget year for appropriations bills. Section 311 does not apply to spending bills that are under their 302(a) allocations.

Section 401(a). Prohibits consideration of legislation providing borrowing authority, new credit authority, or contract authority that is not subject to discretionary appropriations.

Section 401(b)(1). Prohibits consideration of legislation creating new entitlement authority in the year preceding the budget year. 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 to enforce the Budget Act by not waiving points of order against specific legislation.

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 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 know as sequestration.

DISCRETIONARY SPENDING LIMITS

Under the BBA there is a combined limit on all discretionary appropriations for fiscal years 2000 through 2003. 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 2003.

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.

CURRENT STATUTORY CAPS BY BUDGET ENFORCEMENT ACT CATEGORY

[In millions of dollars]

Fiscal year	2000–	2001–	2002
General Purpose:			
BA	531,771	541,324	550,382
O	536,700	539,940	534,972
Violent Crime Reduction:			
BA	4,500	na	na
O	5,554	na	na
Highways:			
BA	na	na	na
O	24,574	26,219	26,663
Mass Transit:			
BA	na	na	na
O	4,117	4,888	5,384
Total:			
BA	536,271	541,324	550,382
O	570,945	571,047	567,019

Source: Office of Management and Budget, Budget Enforcement Act.
Preview Report, February 1, 1999.

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 increase the net deficit 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 2002. PAYGO is enforced through a sequestration applied to all non-exempt entitlement programs. The law is somewhat unclear whether PAYGO lapses when there is an on-budget surplus. OMB has hinted that PAYGO would indeed lapse if the budget was in balance without counting excess Social Security receipts.

SENSES OF HOUSE AND CONGRESS

Section 5(c) and sections 10 through 16 express the following senses of House and Congress.

Section 5(c).—Sense of Congress Regarding Social Security Surpluses.

Section 10.—Sense of Congress on the Commission on International Religious Freedom.

Section 11.—Sense of the House on Providing Additional Dollars to the Classroom.

Section 12.—Sense of Congress on Asset-Building for the Working Poor.

Section 13.—Sense of Congress on Access to Health Insurance and Preserving Home Health Services for all Medicare Beneficiaries.

Section 14.—Sense of the House on Medicare Payment.

Section 15.—Sense of the House on Assessment of Welfare-to-Work Programs.

Section 16.—Sense of Congress on Providing Honor Guard Services for Veterans' Funerals.

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 2000.

On March 17, 1999, 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 2000. The following votes were taken in Committee:

1. Mr. Chambliss made a motion to authorize the Chairman, consistent with Rule XVI, clause 4 of the Rules of the House, to declare a recess at any time during the Committee meeting. The motion was agreed to by voice vote.

2. Mr. Spratt offered an amendment to add language resolving that all unified surpluses shall be saved in a lock-box for buying down publicly held debt until reforms extending the solvency of the Social Security and Medicare programs are enacted and that the Budget and Rules Committees should report the necessary implementing legislation.

The amendment offered by Mr. Spratt was defeated 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–				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					——

Representative	Aye–	No–	Present	Representative	Aye–	No–	Present
Mr. Ryan							
Mr. Toomey–		X					—

3. Mr. Spratt offered an amendment related to transfers from the General Fund into the Social Security and the Medicare trust funds.

The amendment offered by Mr. Spratt was defeated on a roll call vote of 16 ayes and 21 noes.

Representative	Aye–	No–	Present	Representative	Aye–	No–	Present
Mr. Kasich, Chairman		X		Mr. Spratt, Ranking–	X		
Mr. Chambliss –		X		Mr. McDermott–	–		
Mr. Shays—				Ms. Rivers–	–	–	
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 —	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—		–		—			—
Mr. Toomey—		X–		—			—

4. Ms. Baldwin offered an amendment increasing new budget authority and outlays for function 570 and increasing the revenue aggregates to current law levels (assuming increased funding for health care for the disabled, a Medicare buy-in, home health agency payments and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in function 570, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds. Finally, it establishes a reserve fund within the contingent tax cuts for tax credits for long-term care and the working disabled and the Patient's Bill of Rights as proposed by Rep. Dingell.

The amendment offered by Ms. Baldwin was defeated on a roll call vote of 15 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			
Mr. Nussle		X		Mr. Davis	X		
Mr. Hoekstra		X		Mr. Weygand	X		
Mr. Radanovich		X		Mrs. Clayton	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
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	....	....	....	Mr. Moran	X	....	....
Mr. Knollenberg	....	X	....	Mr. Hooley	X	....	....
Mr. Thornberry	....	X	....	Mr. Lucas	....	....	....
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	....				

5. Ms. Hooley offered an amendment increasing new budget authority and outlays for function 500, reducing budget authority and outlays for function 050 in fiscal year 2000, and increasing revenue aggregates to current law levels (assuming increased funding for the purpose of hiring 100,000 teachers while reducing funding for national security, and eliminating the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in function 500, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds. Finally, it establishes a reserve fund within the contingent tax cuts for tax credits related to school construction and renovation bonds.

The amendment offered by Ms. Hooley was defeated on a roll call vote of 17 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	....	....	....
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	....	....	....
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	....	....	....	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. 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	....				

6. Mrs. Clayton offered an amendment increasing new budget authority and outlays for functions 500 and 600 and increasing revenue aggregates to current law levels (assuming expansions in Head Start, 21st Century Learning Centers, the Child Care and

Development Block Grant and the Early Learning Fund, and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 500 and 600, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds. Finally, it establishes a reserve fund within the contingent tax cuts for an expansion of the child and dependent care tax credit and child care tax credit for families with young children and businesses that provide child care for their employees.

The amendment offered by Mrs. Clayton was defeated on a roll call vote of 18 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	....	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	....	....	....	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					

7. Mr. Thompson offered an amendment expressing the sense of the Congress language regarding changes in the tax law to encourage asset building by low-income workers and their families.

The amendment offered by Mr. Thompson was adopted by voice vote.

8. Messieurs Weygand, Fletcher and Ryun offered an amendment expressing the sense of the Congress on the importance of home health care for seniors and disabled citizens, and that the Congress and the Administration should work together on various health related issues.

The amendment was adopted by unanimous consent.

9. Mr. Hoeffel offered an amendment increasing new budget authority and outlays in functions 300, 400, 450, 500, 750 and increasing revenue aggregates above current law levels (assuming the President's Livability Agenda and Lands Legacy Initiative, the elimination of corporate tax benefits, and the elimination of the assumed tax cuts). It would also provide funding for a new mandatory land acquisition program. In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 300, 400, 450, and 750, contingent on the enactment of legislation that extends the solvency of the Medicare

and Social Security trust funds. Finally, it establishes a reserve fund within the contingent tax cuts for tax credits related to the issuance of bonds used by state and local governments.

The amendment offered by Mr. Hoeffel was defeated on a roll call vote of 18 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			
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				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					

10. Mr. Holt offered an amendment increasing new budget authority and outlays for functions 250 and 550, reducing budget authority and outlays for function 050 in fiscal year 2000 and increasing the revenue aggregates to current law levels (assuming increased funding for the National Science Foundation and the National Institutes of Health and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 250 and 550, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment offered by Mr. Holt was defeated on a roll call vote of 18 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		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	X		
Mr. Hilleary		X		Mr. Kleczka			
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts				Mr. Moran	X		
Mr. Knollenberg		X		Mr. Hooley	X		
Mr. Thornberry		X		Mr. Lucas	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
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	....				

11. Mr. Minge offered an amendment increasing new budget authority and outlays for function 350 and increasing the revenue aggregates to current law levels (assuming increased funding for crop insurance reform and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 350, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

Mr. Minge withdrew the amendment.

12. Ms. Rivers offered an amendment increasing new budget authority and outlays for function 500 and increasing revenue aggregates to current law levels (assuming an increase in funding for special education programs). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 500, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment offered by Ms. Rivers was defeated on a roll call vote of 17 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	....	....	....
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	X	....	....
Mr. Hilleary	....	X	....	Mr. Kleczka	X	....	....
Mr. Sununu	....	X	....	Mr. Clement	X	....	....
Mr. Pitts	....	....	....	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	....				

13. Mr. Weygand offered an amendment expressing the sense of the Congress that committees should make every effort to provide resources for honor guards at veterans' funerals.

The amendment offered by Mr. Weygand was adopted by unanimous consent.

14. Mr. Clement offered an amendment expressing the sense of the Congress the resolution assumes $3 million for the Commission on International Religious Liberty and urging the Appropriations Committee to provide the necessary appropriation.

The amendment offered by Mr. Clement was adopted by unanimous consent.

15. Mrs. Clayton offered an amendment increasing new budget authority and outlays for function 500 and increasing the revenue aggregates to current law levels (assuming the President's requested level for his initiative on welfare-to-work and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in function 500, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment was withdrawn

16. Mr. Collins offered an amendment in the nature of a substitute to Mrs. Clayton's amendment. The amendment urges the Secretary of Labor to provide a report analyzing welfare-to-work programs.

The amendment was withdrawn.

17. Mr. Moran offered an amendment expressing the sense of the Congress that there should be parity between the compensation of members of the uniformed services and civilian federal employees.

The amendment offered by Mr. Moran was defeated by voice vote.

18. Mr. Weygand offered an amendment expressing the sense of the Congress regarding the proper use of the federal share of the proceeds of the tobacco settlement.

The amendment was withdrawn.

19. Mr. Clement offered an amendment increasing new budget authority and outlays in function 700, reducing budget authority and outlays in function 050 in fiscal year 2000, and increasing revenue aggregates to current law levels (assuming greater funding for veterans' programs, decreased spending for defense programs in the year 2000 and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 700, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment offered by Mr. Clement was defeated on a vote of 17 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	....	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	....	....	....

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				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					

20. Mrs. Clayton offered an amendment increasing new budget authority and outlays for functions 600 and increasing revenue aggregates to current law levels (assuming increased funding for the summer food service program, the child and adult care food program and other nutrition programs, and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 600, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

Mrs. Clayton withdrew her amendment.

21. Mr. Markey offered an amendment increasing new budget authority and outlays for function 550 and increasing the revenue aggregates to current law levels (assuming increased funding for long-term in home care, community based respite care for Medicare beneficiaries and their families, and the elimination of the assumed tax cuts). The amendment also provided report language to be included in the report on the concurrent resolution on the budget. In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in functions 550, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment offered by Mr. Markey was defeated on a roll call 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			
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	X		
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts				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		

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

22. Mr. Bentsen offered an amendment to reserve amounts within the revenue levels for the purpose of repealing the Harbor Maintenance Excise Tax and offered report language on funding levels for the Army Corps of Engineers.

The amendment offered by Mr. Bentsen was defeated by voice vote.

23. Ms. Hooley offered report language stating that the resolution assumes increased funding for Pacific Northwest Salmon recovery that is efficient and expeditiously directed to local communities and salmon restoration organizations.

Ms. Hooley withdrew her proposed report language.

24. Mr. Bentsen offered an amendment increasing new budget authority and outlays for function 550 and increasing the revenue aggregates to current law levels (assuming the increased funding for state to enroll low-income children in Medicaid and to require the Social Security Administration to enroll low income seniors to help pay their Medicare premiums and deductibles, and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in function 550, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment offered by Mr. Bentsen was defeated on a roll call vote of 18 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		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	X		
Mr. Hilleary		X		Mr. Kleczka	X		
Mr. Sununu		X		Mr. Clement	X		
Mr. Pitts				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					

25. Mr. Minge offered an amendment expressing the sense of the Congress that the Medicare + Choice program should be a priority

before financing new Medicare programs and benefits that may add to the imbalance of payments and benefits in the fee-for-service Medicare and Medicare + Choice programs.

The amendment offered by Mr. Minge was adopted by a voice vote.

26. Mr. Bentsen offered an amendment expressing the sense of the Congress that budget surpluses should be used to reduce the publicly held debt, that Congress and the Administration should abide by the caps and PAYGO requirements and that the firewall, between defense and non-defense discretionary spending should be extended in fiscal year 2000.

The amendment offered by Mr. Bentsen was defeated on a voice vote.

27. Mr. Minge offered an amendment that would exclude Social Security transactions from statements and other documents on the surplus and deficit totals.

The amendment offered by Mr. Minge was adopted by voice vote.

28. Mr. Markey offered an amendment to require the Congressional Budget Office to prepare monthly estimates of receipts, outlays, and the surplus or deficit if any, for the current fiscal year.

The amendment offered by Mr. Markey as amended was adopted by voice vote.

29. Mr. Markey asked unanimous consent to amend his amendment by striking "month" and inserting "quarter" at the appropriate place.

The unanimous consent request was granted and the amendment was amended.

30. Mr. Hoekstra offered an amendment expressing the sense of the Congress that federal education programs should be consolidated and that 95% of federal funding for elementary and secondary education should be directed to the classroom.

The amendment offered by Mr. Hoekstra was adopted by voice vote.

31. Mr. Price offered an amendment in the nature of a substitute to Mr. Hoekstra's amendment increasing new budget authority and outlays for function 500, decreasing budget authority and outlays for function 500, decreasing budget authority and outlays for function 050 in fiscal year 2000, and increasing the revenue aggregates to current law levels (assuming the necessary funding for 100,000 new teachers, and decreasing spending on defense programs in the year 2000 and the elimination of the assumed tax cuts). In addition, it provides for reinstatement of the tax cuts, less the amount necessary to offset the increases in function 500, contingent on the enactment of legislation that extends the solvency of the Medicare and Social Security trust funds.

The amendment was defeated on a voice vote.

32. Mrs. Clayton and Mr. Collins offered an amendment expressing the sense of the Congress that the Secretary of Labor should prepare a report on welfare-to-work programs.

The amendment offered by Mrs. Clayton and Mr. Collins was adopted by voice vote.

33. 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 2000.

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

34. 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 22 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	....	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	....	X	....
Mr. Hilleary	X	....	....	Mr. Kleczka	....	X	....
Mr. Sununu	X	....	....	Mr. Clement	....	X	....
Mr. Pitts	....	....	....	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	....	....				

35. 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.

The unanimous consent request was granted.

Budget Committee Oversight Findings

Clause 3(c)(1) of rule XIII requires each committee report to contain oversight findings and recommendations required pursuant to clause 2(b)(1) of rule X. The Committee on the Budget has examined its activities over the past year and has determined that there are no oversight findings.

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 actually 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 of the effect of 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 upon the conference report on the Concurrent Resolution on the Budget.

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 2000 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(l) 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

Last year, for the first time in the history of the Budget Committee, Congress failed to pass a Concurrent Budget Resolution. The House passed a resolution diverging so far from reality that a conference was never convened to reconcile the differences between the House and Senate. This year, the budget resolution is equally unrealistic. Even if a conference does succeed in working out the differences, the conference report is unlikely to set a framework for spending and taxing with any hope of enactment.

Republicans not only bring to the floor a Budget Resolution requiring appropriation bills they know they cannot pass; they also present no feasible solutions to make Social Security and Medicare solvent. This resolution is a poor start for the first fiscal year in the next millennium.

Three times during this decade—in 1990, 1993, and 1997—Congress passed bold budgets to deal with our enormous deficits. This year, the fruits of our efforts are spread before us in the form of surpluses, forecast as far as the eye can see. We have resolved the problem of annual deficits and can operate with a surplus and pay down our mountainous debt, provided we hold to disciplines like the pay-go rules that have helped achieve these results. But the actuaries at the Social Security Administration tell us that Social Security will exhaust its trust fund by 2032, and will then be able to pay only 75 cents on each dollar of benefits owed out of its incoming tax revenues. The Health Care Financing Administration tells us that the Hospital Insurance Trust Fund will draw down its trust fund even sooner, possibly as early as 2008.

These are not recent revelations, but until we wiped out our annual deficits, the long-run problems of Social Security and Medicare were difficult to deal with. This year, Congress is in a position to address these problems and take the country into the next millennium on strong fiscal footings. But the Budget Resolution reported by the Committee does not rise to the challenge. While the clock ticks away on Social Security and Medicare, Republicans have chosen to waste time. They propose tax cuts that grow larger with time and dissipate the surpluses that could be used to safeguard Social Security and Medicare.

FAILING SOCIAL SECURITY AND MEDICARE

Social Security and Medicare are the bedrock on which millions of Americans depend. Both are solvent for now because of budget measures Congress passed in 1983 and again in 1990, 1993, and 1997. But projections show that in the foreseeable future both could run short of the funds they need to cover the benefits they provide. President Clinton dealt with their problems in his budget by proposing a framework for committing the budget surpluses to extend the solvency of Social Security and Medicare. The President proposed that from FY 2000 to FY 2014, 62% of our unified budget surpluses should be committed to Social Security, extending its solvency to 2056, and 15% of our unified budget surpluses should be committed to Medicare, extending its solvency by 12 years, or beyond 2020.

The Republicans reject the President's proposals out of hand and offer no alternatives for Medicare in their Budget Resolution. They propose instead tax cuts so large that they would drain the budget of funds that could be used to keep Medicare solvent.

As for Social Security, Republicans propose a rhetorical "lock box" to require that all Social Security surpluses be used to pay down government debt held by the public. But their "lock box" has a loose lid and a trap floor. They stipulate that Social Security surpluses will be used only to buy down debt held by the public, unless 3/5 of Congress votes otherwise or unless a simple majority votes to use the surpluses to offset the revenues lost in setting up private retirement accounts as a substitute for Social Security. This trap door is a threat to the Social Security benefits provided under current law. If funds already committed to Social Security beneficiaries under current law are diverted to private accounts, in time benefits under current law will have to be reduced.

To enforce their "lock box," Republicans propose to lower by law the debt ceiling on publicly held debt each year by an amount equal to the Social Security surplus. During mark-up, the Ranking Member presented the Committee with a letter from the Secretary of the Treasury explaining how the Republicans' proposal would play havoc with the economy during a recession and wreak even worse havoc on the Treasury's management of the public debt.

Secretary Rubin points out in his letter how projections of the non-Social Security surplus could prove over-optimistic. This could set up situations in which the Treasury could not legally pay its obligations, including Social Security benefits, and might default on repayments of the public debt. Even the possibility of default could lead to a lower credit rating and higher borrowing costs for the government.

New limits on publicly held debt could also aggravate downturns in the economy. In a recession, Social Security and the overall budget tend to pay out more and take in less, and these automatic responses help stabilize the economy. A predetermined public debt ceiling could force the government to tax more and spend less at a time when either step would make the economy worse.

In addition, the new debt ceiling could invite mischief from determined minorities who might use the super-majority requirement in the Senate to gain leverage on unrelated issues. An obstinate faction could hold the government's finances hostage until it got its way on some issue dear to it.

For all these reasons, Secretary Rubin said that he would urge the President to veto this idea if it ever passed.

Having shown that their "lockbox" proposal was a non-starter, the Ranking Member offered an amendment that would accomplish the same aim by different means, reserving all of the Social Security surpluses solely for Social Security. Republicans rejected it unanimously.

Aside from being unworkable, the Republican's "lock box" proposal does nothing to extend Social Security's solvency. By acknowledging that the money dedicated to Social Security should in fact go to Social Security, the Republican "lock box" does nothing more than ensure that Social Security goes broke on schedule. The Ranking Member confirmed this assessment with a letter from Harry C. Ballantyne, Chief Actuary of the Social Security Administration, presented at mark-up. Because the Republicans provide no additional resources to the OASDI trust funds, the Chief Actuary stated: "The proposal would not have any significant effect on the long-range solvency of the OASDI programs under the intermediate assumptions of the 1998 Trustees Report. Thus, the estimated actuarial deficit of 2.19 percent of taxable payroll would not change, and the year of the combined trust funds' exhaustion (2032) would not change." In plain language, the Republicans' proposal for Social Security would not extend its solvency one day.

IGNORING MEDICARE

Not even the Republicans' press materials mention what they have in mind for Medicare. Unspecified Medicare "reforms" could be funded out of the Social Security surpluses that they propose to wall off, but there is no indication of what those reforms might be and no commitment of resources from anywhere in the budget to buttress Medicare.

Social Security is scheduled to face insolvency in 2032, some years from now. But Medicare is projected to run short of funds by 2008. Medicare is, therefore, a more pressing problem than Social Security, as well as a program of greater complexity. Ignoring this, the third largest program in the federal budget, is not just baffling; it is irresponsible.

DISCRETIONARY SPENDING: DELIBERATELY OPAQUE, GROSSLY INADEQUATE

The Budget Resolution commits virtually all of the on-budget surpluses to offset the revenues lost from tax cuts, leaving nothing for discretionary spending, let alone Medicare. The Committee conceals the political implausibility of its Budget Resolution by not providing even minimal information about the manner in which Republican spending priorities can be accomplished within their constraints. Unlike their Senate counterparts who published a two-volume, 106-page package of tables along with explanatory narrative, House Republicans offered us only four pages of summary tables.

This Budget Resolution is skeletal for a reason: it needs to hide the huge cuts required by the path it plots for discretionary spending. Republicans boast of spending initiatives without ever specifying the severe cuts necessary to meet their overall spending totals. These cuts will meet with opposition, on both sides of the aisle, simply because they represent bad policy.

Questioning during mark-up exposed this strategy. When asked to reconcile the specific spending increases mentioned in their press materials with the declining spending totals, Republicans refused to admit any specific cuts. Though they claim to have spending initiatives for veterans, defense, farmers, education, health care, and scientific research, many of the initiatives will not stand scrutiny, and none specifies the offsetting cuts required to fund their proposal.

The futility of this approach was aptly described last year by Senator Domenici, reacting to the same ploy House Republicans took then. Senator Domenici said: “The notion that it’s less onerous because it doesn’t ask you to consider specifics is just not so . . . Where is it going to come from? What is going to be cut?”

Many of the purported spending initiatives are simply specious. Let’s examine four different functions to illustrate the point: Defense (Function 050), Education (Function 500), Health (Function 550), and Veterans (Function 700).

FUNCTION 050: DEFENSE

Republicans claim to increase defense, but the numbers don’t add up

Republicans claim that they boost defense spending, and they do increase budget authority for defense by $8.4 billion in FY 2000 and by $29.6 billion (between FY 2000–2004) above the President’s request. The President had already raised his request by $63.8 billion over the levels provided in last year’s budget. Republicans seek to top this increase, saying the service chiefs have told us they could use the extra money. But while touting their addition to budget authority, they avoid all mention of their allowance for outlays. During the same five-year period, the Republicans provide only $5.2 billion in outlay increases to match their $29.6 billion increase in budget authority. The authority to incur obligations is increased by almost $30 billion, while the power to spend money is increased by only one-sixth of that amount. Over three fiscal years—FY 2002, 2003, and 2004—there is no increase at all in outlays, and over five fiscal years, the Republicans’ outlay path essentially tracks the President’s.

The total outlay increase over five years in the Republican budget doesn’t even support the budget authority increase they provide in 2000 alone, much less the additional $21.2 billion “provided” for 2001–2004.

Republicans provide less for defense over 10 years than the President

In the year 2004, the Republicans’ allocation for defense bottoms out while the President’s keeps rising at a rate of roughly 3% a year. As a result, the President’s budget provides $104 billion more in budget authority than the Republicans’ budget over the 10-year period, 2000–2009. The difference in outlays, or actual spending, is even greater. As the chart below indicates, the President’s budget allocates $205 billion more to outlays for defense than do Republicans between 2004 and 2009. In choosing between defense spending and tax cutting, the Republican Budget Resolution opts for tax cuts, even to the point of requiring a freeze in defense from 2004–2009, to accommodate the growing loss of revenues caused by tax cuts.

Three Explanations of the So-Called "Increase" in Defense

Explanation One: Promises Unfulfilled. The budget authority levels for defense are simply not backed up by the necessary outlays. The Budget Resolution may be promising increases that cannot be fulfilled. It is noteworthy that neither the House nor the Senate Republican Budget Resolution accommodates the additional costs of S. 4, a bill passed by the Senate to plus up the President's pay and retirement package for military personnel. The Administration argued that S. 4 was raising expectations that could not be met, and in the absence of any follow-through in both resolutions, its criticism appears to be vindicated.

Explanation Two: Republicans Plan to "Bust the Caps" and Spend the Surplus While Pretending They Don't. Using standard DoD outlay rates, Republicans are $21 billion short of the outlays needed to support the budget authority levels they provide. If the Republicans' increase in budget authority were enacted, with the help of directed scorekeeping, DoD could obligate the budget authority and outlays could be $21 billion more over 2000–2004 than the Republican plan pretends. Budget surpluses would come in $21 billion lower than their resolution predicts, and their budget would "bust" the outlay caps set by the Balanced Budget Agreement of 1997.

Explanation Three: The Republican Budget Authority Increase Will Come at the Expense of the Troops. The only way to stay within the budget authority/outlay ratios in the Republican budget is to shift massive amounts of funding from relatively fast-spending accounts, like readiness and personnel, and into relatively slow-spending accounts, like procurement and research and development. This is particularly true since the Republican budget provides no increase in outlays above the President's budget in 2002–2004. If this happened, then some or all of the following would occur:

(1) The President's pay and retirement package would have to be pared back.

(2) Health care for personnel, their families and retirees, would have to be cut.

(3) Readiness would have to be slashed.

In short, the only way to use the budget authority and outlay increases in the Budget Resolution is to prefer defense contractors over military personnel and their families.

FUNCTION 700: VETERANS BENEFITS

Republicans also claim that their Budget Resolution increases discretionary funding for veterans, and they do provide a $900 million increase in budget authority compared with the 1999 level of funding, but this is a non-recurring addition that is not carried over to the next fiscal year. In fact, over five years, the Budget Resolution cuts discretionary funding for veterans by $500 million compared with the 1999 level.

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

Republicans likewise talk of committing more to education, but in Function 500 of their Budget Resolution, they decrease discretionary spending for education, training, employment, and social services by $1.2 billion below the 1999 level. Over five years, the resolution cuts funding by $900 million compared with the 1999 level, representing a 6.9 percent decrease in purchasing power by 2004.

The Budget Resolution does raise spending in 2000 for elementary and secondary education by $500 million above the 1999 level and by $15.8 billion over five years. But this increase is provided by making deep reductions in all other programs, which are cut by $16.7 billion over five years and by $36.5 billion over ten years compared with the 1999 level.

The resolution does not specify which programs are to be cut, but the funding levels over ten years require a 12.2 percent across-the-board cut in programs other than elementary and secondary education. This means deep cuts in higher education programs such as Pell Grants and the Work Study program that help low-income students attend college, Head Start, child welfare services, the Smithsonian, and training and employment programs.

FUNCTION 550: HEALTH

Funding for the National Institutes of Health (NIH) accounts for just over fifty percent of all funding in this function. Republicans singled out NIH and announced that they were allocating substantially more to NIH than the President's request. The House resolution does not spell out any assumptions for funding NIH, but the Senate resolution includes an explicit increase of $600 million for 2000, or 4 percent over the 1999 level, and a freeze in funding thereafter.

Overall, the House Republican Budget Resolution cuts funding for discretionary health programs by $600 million in 2000 below 1999 levels. Over five years, funding for other health programs is cut by $9.8 billion below the 1999 level, and over 10 years, by $27.2 billion. By 2002, this represents a decrease in purchasing power of 18.2 percent; by 2009, the decrease in purchasing power is 31.2 percent.

It is difficult to see how NIH funding can rise appreciably when it takes up more than half of Function 550, and Function 550 is cut each year over the ten-year time frame of the Republicans' resolution.

EXPANDING TAX CUTS BITE INTO DISCRETIONARY, MAKE SOLVENCY OF SOCIAL SECURITY AND MEDICARE TOUGHER TO ACHIEVE

There is a reason for the foregoing, for the deep reductions and gimmicks to disguise them. The Republicans' Budget Resolution is totally committed to tax cuts, tax cuts that increase to $779 billion over ten years and grow even larger over time. The decimation of discretionary spending, the procrastination on Social Security, the neglect of Medicare—all result from one overriding priority: to pass tax cuts large enough to rival the Economic Recovery Tax Act of 1981.

The Budget Resolution proposes tax cuts that start by growing with the on-budget or non-Social Security surplus, and then exhaust it. After the first five years, the proposed tax cuts being to exceed the projected non-Social Security surpluses, and as a result, sharp cuts in discretionary spending are required. Using the Republicans' own numbers, the increasing loss of revenues forces both defense and non-defense discretionary spending to drop from the current level of 6.6 percent of Gross Domestic Product (GDP) to 4.5 percent by 2009. This translates to a 19.6 percent cut in all discretionary spending after adjusting for inflation and a 29 percent cut in non-defense discretionary accounts.

The most disturbing results of their tax proposal are "over the horizon," not seen in their tables because they fall in the years beyond their 10-year budget. During these years, 2010 through 2014, the "Baby Boom" generation begins to retire, exerting heavy pressure on the finances of Social Security and Medicare. During these same years, the Social Security surplus and the non-Social Security surplus will peak and start to decline, as payroll taxes become insufficient to cover benefit payments.

Republicans have not specified their tax cuts, but the revenue losses of virtually all tax cuts tend to increase with time. If their tax cuts follow this pattern, the government would face three unappealing choices around 2010:

(1) To cut even deeper into defense and non-defense spending.

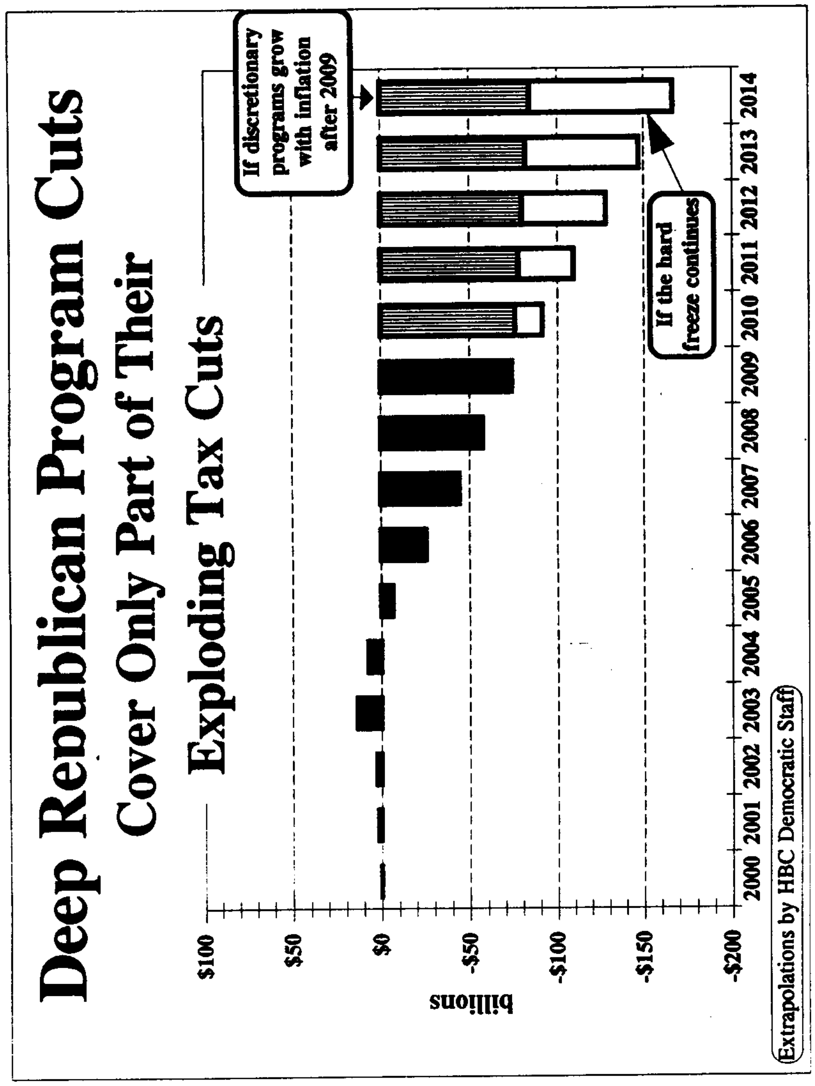
(2) To raise taxes.

(3) To use Social Security and Medicare payroll taxes to offset tax revenues lost to tax cuts, as in the 1980s.

Having worked so long to rid the budget of deficits and to put the government on sound fiscal footings, we do not wish to follow Republicans down this path. We do not wish to repeat the mistakes of the 1980s, which brought us deficits as far as the eye could see and a tripling of the national debt. Targeted tax cuts are possible today, and more can be added as the surpluses projected actually materialize. But now that we are able to address the fiscal challenges of Social Security and Medicare, we believe that we have a duty to do so that comes first before everything else.

CONCLUSION

In this Budget Resolution, the majority does not take seriously the responsibility to govern. They send a resolution to the House requiring appropriation bills they know they cannot pass due to opposition on both sides of the aisle. They ignore Medicare. They fail to propose practical ideas to protect Social Security and do nothing to extend its solvency. Before the first on-budget surplus is realized, they propose tax cuts that will grow larger with time and wipe out the projected surpluses. We voted against this Budget Resolution in the Budget Committee, and we urge the House of Representatives to reject it.


Deep Republican Program Cuts
Cover Only Part of Their
Exploding Tax Cuts
If discretionary programs grow with inflation after 2009
If the hard freeze continues
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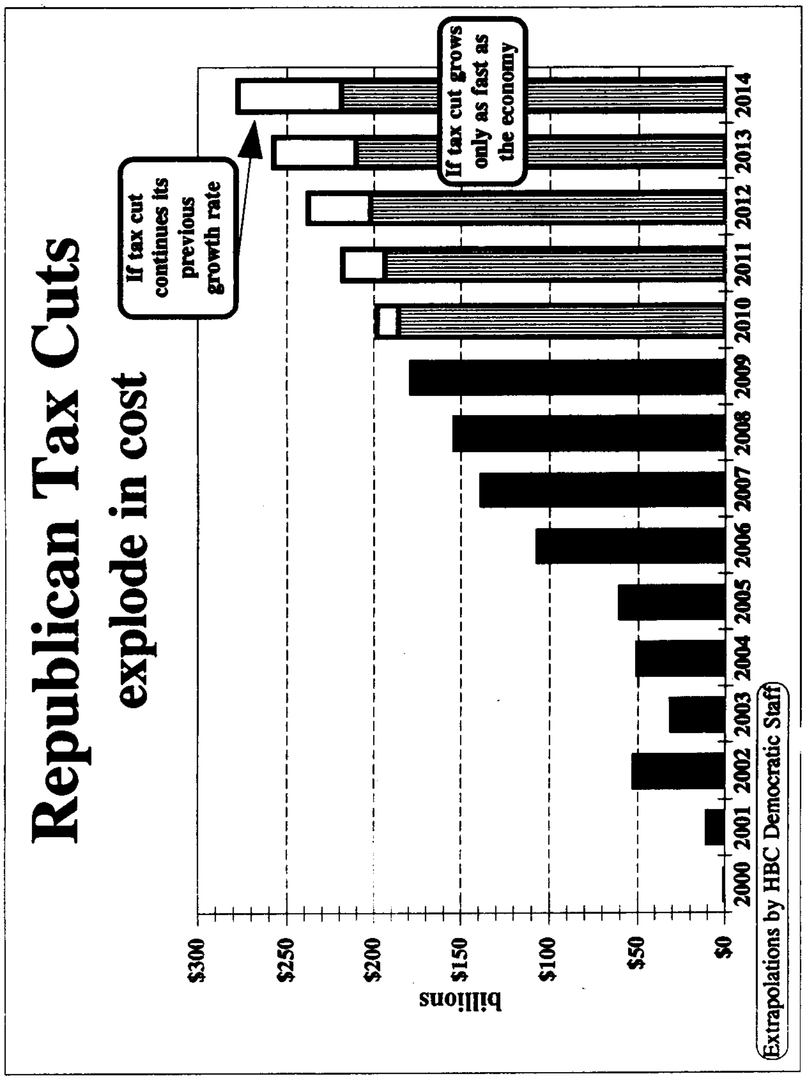
Extrapolations by HBC Democratic Staff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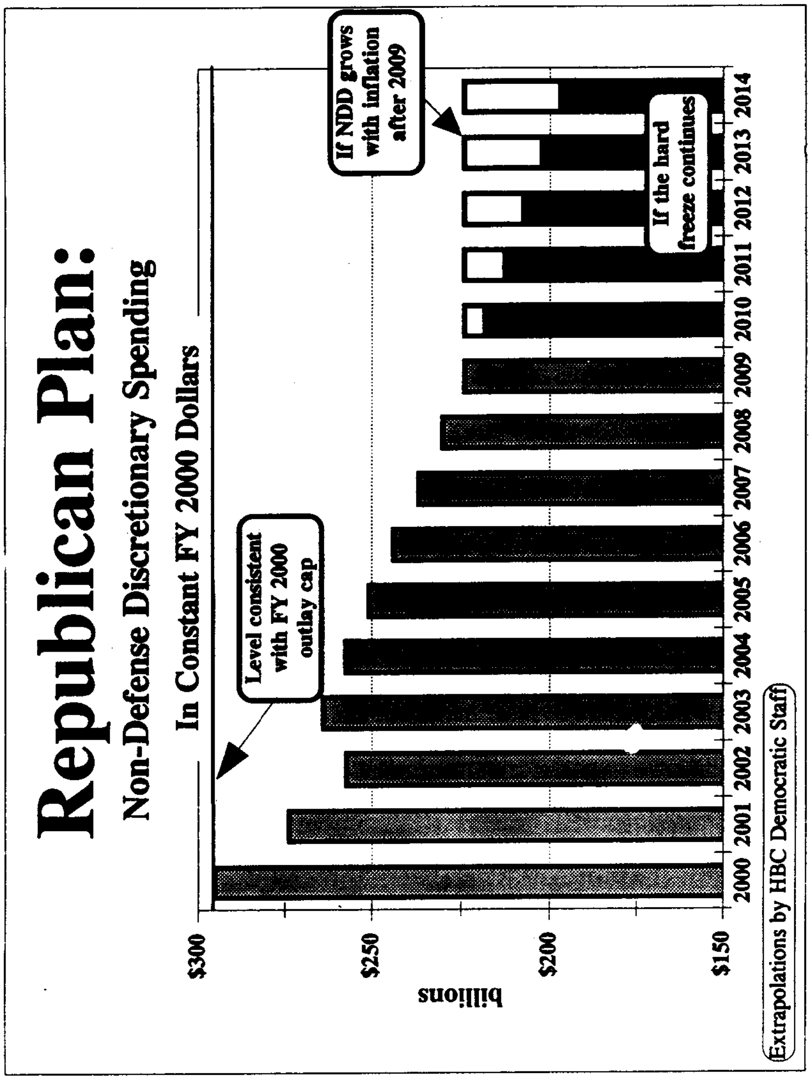
Extrapolations by HBC Democratic Staff


Republican Plan:
Non-Defense Discretionary Spending
In Constant FY 2000 Dollars
Level consistent with FY 2000 outlay cap
If NDD grows with inflation after 2009
If the hard freeze continues
billions
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Extrapolations by HBC Democratic Staff

SOCIAL SECURITY,
March 12, 1999.

Hon. RICHARD A. GEPHARDT,
House of Representatives, Washington, DC.

DEAR MR. GEPHARDT: This letter addresses the potential long-range financial effects on the OASDI program of "locking away" the annual increases in the Social Security Trust Funds, as proposed by Republican leaders in the Senate and the House on March 10, 1999. The proposal would require that annual increases in the OASI and DI Trust Funds would be used solely to purchase long-term special issue U.S. government bonds. In addition, the proposal would require that the revenue used for the purchase of these bonds would in turn be used solely for the purpose of reducing Federal debt held by the public. Of course, the net change in the Federal debt held by the public in any year would also be affected by the size of any on-budget deficit or surplus for that year.

The proposal would not have any significant effect on the long-range solvency of the OASDI program under the intermediate assumptions of the 1998 Trustees Report. Thus, the estimated long-range actuarial deficit of 2.19 percent of taxable payroll and the year of the combined trust funds' exhaustion (2032) would not change. The first year in which estimated outgo will exceed estimated tax income would not be affected and would therefore remain at 2013.

Any plan that reduces the amount of Federal debt held by the public may make later redemption by the Trust Funds of special issue U.S. government bonds easier.

Sincerely,

HARRY C. BALLANTYNE,
Chief Actuary.

DEPARTMENT OF THE TREASURY,
Washington, DC, March 17, 1999.

Hon. CHARLES RANGEL,
House of Representatives, Washington, DC.

DEAR CHARLIE: Thank you for inquiring about the impact of the new debt limits contained in the Social Security Surplus Preservation Act. I appreciate the opportunity to respond to your question. In brief, I am deeply concerned that these limits could preclude the United States from meeting its future financial obligations to repay maturing debt and to honor payments—including benefit payments—and could also run the risk of worsening a future economic downturn.

It has been this Administration's view that fiscal restraint is best exercised through the tools of the budget process. Existing enforcement tools such as the pay-go rules and the discretionary spending limits in the Budget Enforcement Act have been key elements in maintaining fiscal discipline in the 1990's. Debt limits should not be used as an additional means of imposing restraint. Debt is incurred solely to pay expenditures that have previously been authorized by the Congress and for the investment of the Federal trust funds. By the time the debt limit is reached, the Government is obligated to make payments and must enough money to do so.

If Treasury were prohibited from issuing any new debt to honor the Government's obligations, there could be permanent damage to our credit standing. The debt obligations of the United States are recognized as having the least credit risk of any investment in the world. That credit standing is a precious asset of the American people. Even the appearance of a risk that the United States of America might not meet in obligations because of the absence of necessary debt authority would be likely to impose significant additional costs on American taxpayers. Yet, in November 1995, a debt crisis was precipitated when Government borrowing reached the debt limit and in January Moody's credit rating service placed Treasury securities on review for possible downgrade.

As you know, there is currently a statutory limit on the amount of money that Treasury can borrow in total from both the public and from Federal trust funds. The proposed "lockbox" provision would add a new statutory limit on debt to the public.

The proposed new debt limit runs the risk of precipitating additional debt crises in the future. Although the proposal adjusts the debt ceiling for discrepancies between the actual and projected Social Security surpluses, it does not make similar corrections for unanticipated developments on the non-Social Security side of the budget. While our forecasts have been conservative, the current forecast of the non-Social Security budget could prove too optimistic because of changes in the economy, demographics, or countless other factors. This could cause the publicly held debt to exceed the new debt limit.

Furthermore, even if the debt limit appears sufficient because it covers the annual debt level—measured from end-of-year to end-of-year—it could easily be inadequate for the Government to meet its obligations at a given point during the year. Under normal circumstances, every business day, Treasury makes payments—including Social Security payments on certain days. In any given week, Treasury receives revenues, makes payments, and refinances maturing debt. Weekly and monthly swings in cash flow can easily exceed on-hand cash balances. When this occurs, Treasury then borrows from the public to meet its obligations. If the amount of publicly held debt were to reach the level of the debt limit—or if the debt limit were to decline to below the level of publicly held debt—Treasury could be precluded from borrowing additional amounts from the public. If Treasury could not borrow to raise cash, it is possible that it could simply have to stop honoring any payments—including Social Security payments.

In this case, Treasury could be prohibited from issuing any new debt to redeem maturing debt. Every Thursday, approximately $20–23 billion of weekly Treasury bills mature and, every month, an additional $60–85 billion in debt matures. These securities must either be paid off in cash or refinanced by issuing new debt. Treasury could be put in the position of having to default for the first time in our nation's history.

Congress could defuse the debt limit problems by immediately voting to raise the debt ceiling. Under the "lockbox" proposal, however, it would take sixty votes in the Senate to do so. As past experience indicates, obtaining a super-majority for this purpose is often time-consuming and difficult. Moreover, this requirement would greatly enhance the power of a determined minority to use the debt limit to impose views on unrelated issues.

Finally, the proposed debt limits could run the risk of worsening an economic downturn. If the economy were to slow unexpectedly, the budget balance would worsen. Absent a super-majority vote to raise the debt limit, Congress would need to reduce other spending or raise taxes. Either cutting spending or raising taxes in a slowing economy could aggravate the economic slowdown and substantially raise the risk of a significant recession. And even those measures would not guarantee that the debt limit would be not be exceeded. A deepening recession would add further to revenue losses and increases in outlays. The tax increases and spending cuts could turn out to be inadequate to satisfy all existing payment obligations and keep the debt under the limit, worsening a crisis.

To summarize, these new debt limits could create uncertainty about the Federal government's ability to honor its future obligations and should not be used as an instrument of fiscal policy. While we certainly share the goal of preserving Social Security, this legislation does nothing to extend the solvency of the Social Security trust funds, while potentially threatening the ability to make Social Security payments to millions of Americans. I will recommend that the President veto the bill if it contains the debt limit provisions. If you have any additional questional, please do not hesitate to contact me.

ROBERT E. RUBIN,
Secretary of the Treasury.

JOHN M. SPRATT, Jr.
JIM MCDERMOTT.
LYNN N. RIVERS.
BENNIE G. THOMPSON.
DAVID MINGE.
KENNETH E. BENTSEN.
JIM DAVIS.
BOB WEYGAND.
EVA M. CLAYTON.
DAVID E. PRICE.
EDWARD J. MARKEY.
JERRY KLECZKA.
BOB CLEMENT.
JIM MORAN.
DARLENE HOOLEY
RUSH HOLT.
JOSEPH M. HOEFFEL.
TAMMY BALDWIN.

ADDITIONAL VIEWS OF HON. KENNETH E. BENTSEN, JR.

The Fiscal Year 2000 Budget Resolution reported by the House Budget Committee lacks clarity and specifics. There is no indication of how to pay for a sizeable tax cut and the resolution creates a situation where the pay-as-you-go rule will be violated. Those facts, coupled with the elimination of the "firewall" that prevents Congress from using defense spending to finance non-defense discretionary spending and vice versa, sets the Congress on a course to bust the spending caps with virtually no discussion. If we are going to adopt this policy, the Committee and Congress should at least have a serious debate. Unfortunately, the Majority failed to do so.

As the Committee knows, this resolution violates the pay-as-you-go rule by using projected budget surpluses to pay for tax cuts. Since the passage of the Budget Enforcement Act of 1990, this rule has required that tax cuts be offset by mandatory spending cuts so as to not increase the deficit or reduce the surplus. This rule, along with caps on discretionary spending, was extended in 1993 and 1997; together with strong economic growth, these rules helped create a virtuous cycle of balanced budgets and stronger economic growth. Now, in an era of budget surpluses, some Members assume that additional revenue in the form of budget surpluses can be used to offset decreases in taxes. That is wrong and would violate the bipartisan PAYGO rule. Furthermore, it sets a dangerous precedent that could result in future deficit spending if projected on-budget surpluses fail to materialize.

In order to extend Social Security's and Medicare's solvency and fund current commitments in health research, education, and defense, we may need to raise the spending caps. But, the Committee should at least engage the public in a debate on the merits of doing so, instead of doing it by stealth accounting. The Majority's Budget Resolution calls for a tax cut of $142.6 billion over five years and $778.6 billion over 10 years; this will require significant reductions in non-defense discretionary spending and discretionary spending so that they will lose up to 30 percent of their purchasing power by 2009. This is terribly unrealistic and puts us back to square one: how can we finance reductions in taxes and increases in new spending without violating the pay-as-you-go rule and the caps on discretionary spending?

The firewall between defense and non-defense discretionary spending has created a careful political balance between investments in national security and economic security. I believe that eliminating the firewall coupled with a risky fiscal strategy based upon distant economic projections could well result in the fiscal impasses of the 1980s.

Backsliding into an era of skyrocketing budget deficits has dire consequences. Currently, the debt held by the public stands at $3.7

trillion and 44 percent of GDP. The President's budget dedicates surpluses in the unified federal budget to retiring publicly held debt and to extending Social Security's and Medicare's solvency. Paying down the debt is critical to our future economic health. Reducing the publicly held debt lowers market interest rates, boosts private investment, and promotes long term economic growth. Excessive spending or irresponsible tax cuts create an additional cost in the form of higher interest payments and more debt.

I offered an amending in the form of a Sense of the Congress that we continue the existing spending caps, pay-as-you-go rules, and firewall between defense and non-defense spending. Unfortunately, the Majority summarily dismissed this proposal, proving that the Majority is willing to abandon the fiscal policy constraints established in 1990 for a return to the supply side theories, which resulted in a huge run up in the national debt.

If we squander the surplus without retiring the national debt, our future financial position is precarious. As the baby boom retires, we will have to borrow more to pay off bonds as they come due, including to Social Security. We will be shortchanging the American people. Without maintaining a course of fiscal discipline, the Congress' hard work since 1990 will be compromised. Federal budget surpluses will be short lived and we will return to deficit spending.

KENNETH E. BENTSEN.

APPENDIX

H. Con. Res. 68

A concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2000 and setting forth appropriate budgetary levels for each of fiscal years 2001 through 2009.

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

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2000.

The Congress declares that this is the concurrent resolution on the budget for fiscal year 2000 and that the appropriate budgetary levels for fiscal years 2001 through 2009 are hereby set forth.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2000 through 2009:

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

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

Fiscal year 2000: $1,408,500,000,000.
Fiscal year 2001: $1,435,300,000,000.
Fiscal year 2002: $1,456,300,000,000.
Fiscal year 2003: $1,532,600,000,000.
Fiscal year 2004: $1,584,100,000,000.
Fiscal year 2005: $1,651,000,000,000.
Fiscal year 2006: $1,684,400,000,000.
Fiscal year 2007: $1,733,200,000,000.
Fiscal year 2008: $1,802,800,000,000.
Fiscal year 2009: $1,867,500,000,000.

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

Fiscal year 2000: $0.
Fiscal year 2001: −$9,800,000,000.
Fiscal year 2002: −$52,000,000,000.
Fiscal year 2003: −$30,700,000,000.
Fiscal year 2004: −$50,000,000,000.
Fiscal year 2005: −$59,900,000,000.
Fiscal year 2006: −$106,300,000,000.
Fiscal year 2007: −$138,200,000,000.
Fiscal year 2008: −$153,400,000,000.
Fiscal year 2009: −$178,200,000,000.

(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: $1,426,600,000,000.
Fiscal year 2001: $1,456,100,000,000.
Fiscal year 2002: $1,487,300,000,000.
Fiscal year 2003: $1,558,300,000,000.
Fiscal year 2004: $1,611,700,000,000.
Fiscal year 2005: $1,665,600,000,000.
Fiscal year 2006: $1,697,000,000,000.
Fiscal year 2007: $1,752,200,000,000.
Fiscal year 2008: $1,813,800,000,000.
Fiscal year 2009: $1,874,400,000,000.

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

Fiscal year 2000: $1,408,100,000,000.
Fiscal year 2001: $1,435,300,000,000.
Fiscal year 2002: $1,455,100,000,000.
Fiscal year 2003: $1,532,500,000,000.
Fiscal year 2004: $1,583,900,000,000.
Fiscal year 2005: $1,638,600,000,000.
Fiscal year 2006: $1,666,400,000,000.
Fiscal year 2007: $1,715,900,000,000.
Fiscal year 2008: $1,781,200,000,000.
Fiscal year 2009: $1,841,300,000,000.

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

Fiscal year 2000: $400,000,000.
Fiscal year 2001: $0.
Fiscal year 2002: $1,200,000,000.
Fiscal year 2003: $100,000,000.
Fiscal year 2004: $200,000,000.
Fiscal year 2005: $12,400,000,000.
Fiscal year 2006: $18,000,000,000.
Fiscal year 2007: $17,300,000,000.
Fiscal year 2008: $21,600,000,000.
Fiscal year 2009: $26,200,000,000.

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

Fiscal year 2000: $5,627,700,000,000.
Fiscal year 2001: $5,707,700,000,000.
Fiscal year 2002: $5,791,500,000,000.
Fiscal year 2003: $5,875,000,000,000.
Fiscal year 2004: $5,954,800,000,000.
Fiscal year 2005: $6,019,600,000,000.
Fiscal year 2006: $6,075,400,000,000.
Fiscal year 2007: $6,128,700,000,000.
Fiscal year 2008: $6,168,100,000,000.
Fiscal year 2009: $6,198,100,000,000.

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 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2000:

(A) New budget authority, $288,800,000,000.

(B) Outlays, $274,600,000,000.

Fiscal year 2001:

(A) New budget authority, $303,600,000,000.

(B) Outlays, $285,900,000,000.

Fiscal year 2002:

(A) New budget authority, $308,200,000,000.

(B) Outlays, $291,700,000,000.

Fiscal year 2003:

(A) New budget authority, $318,300,000,000.

(B) Outlays, $303,600,000,000.

Fiscal year 2004:

(A) New budget authority, $327,200,000,000.

(B) Outlays, $313,500,000,000.

Fiscal year 2005:

(A) New budget authority, $328,400,000,000.

(B) Outlays, $316,700,000,000.

Fiscal year 2006:

(A) New budget authority, $329,600,000,000.

(B) Outlays, $315,100,000,000.

Fiscal year 2007:

(A) New budget authority, $330,900,000,000.

(B) Outlays, $313,700,000,000.

Fiscal year 2008:

(A) New budget authority, $332,200,000,000.

(B) Outlays, $317,100,000,000.

Fiscal year 2009:

(A) New budget authority, $333,500,000,000.

(B) Outlays, $318,000,000,000.

(2) International Affairs (150):

Fiscal year 2000:

(A) New budget authority, $11,200,000,000.

(B) Outlays, $14,500,000,000.

Fiscal year 2001:

(A) New budget authority, $10,600,000,000.

(B) Outlays, $15,100,000,000.

Fiscal year 2002:

(A) New budget authority, $9,800,000,000.

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

Fiscal year 2003:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $13,600,000,000.

Fiscal year 2004:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $13,300,000,000.

Fiscal year 2005:

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

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

Fiscal year 2006:

(A) New budget authority, $13,900,000,000.

(B) Outlays, $12,600,000,000.

Fiscal year 2007:

(A) New budget authority, $13,900,000,000.
(B) Outlays, $12,400,000,000.
Fiscal year 2008:
(A) New budget authority, $14,000,000,000.
(B) Outlays, $12,200,000,000.
Fiscal year 2009:
(A) New budget authority, $14,000,000,000
(B) Outlays, $12,100,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 2000:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $18,200,000,000.
Fiscal year 2001:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 2002:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 2003:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2004:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2005:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2006:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2007:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2008:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 2009:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $17,800,000,000.
(4) Energy (270):
Fiscal year 2000:
(A) New budget authority, $0.
(B) Outlays, −$700,000,000.
Fiscal year 2001:
(A) New budget authority, −$1,400,000,000.
(B) Outlays, −$3,100,000,000.
Fiscal year 2002:
(A) New budget authority, −$200,000,000.
(B) Outlays, −$1,100,000,000.
Fiscal year 2003:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$1,200,000,000.
Fiscal year 2004:
(A) New budget authority, −$300,000,000.

(B) Outlays, −$1,400,000,000.
Fiscal year 2005:
(A) New budget authority, −$400,000,000.
(B) Outlays, −$1,500,000,000.
Fiscal year 2006:
(A) New budget authority, −$500,000,000.
(B) Outlays, −$1,500,000,000.
Fiscal year 2007:
(A) New budget authority, −$500,000,000.
(B) Outlays, −$1,400,000,000.
Fiscal year 2008:
(A) New budget authority, −$200,000,000.
(B) Outlays, −$1,100,000,000.
Fiscal year 2009:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$1,100,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 2000:
(A) New budget authority, $22,800,000,000.
(B) Outlays, $22,600,000,000.
Fiscal year 2001:
(A) New budget authority, $22,500,000,000.
(B) Outlays, $22,000,000,000.
Fiscal year 2002:
(A) New budget authority, $22,400,000,000.
(B) Outlays, $21,400,000,000.
Fiscal year 2003:
(A) New budget authority, $22,500,000,000.
(B) Outlays, $22,600,000,000.
Fiscal year 2004:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $23,500,000,000.
Fiscal year 2005:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $23,400,000,000.
Fiscal year 2006:
(A) New budget authority, $23,600,000,000.
(B) Outlays, $23,500,000,000.
Fiscal year 2007:
(A) New budget authority, $23,700,000,000.
(B) Outlays, $23,400,000,000.
Fiscal year 2008:
(A) New budget authority, $23,700,000,000.
(B) Outlays, $23,400,000,000.
Fiscal year 2009:
(A) New budget authority, $24,000,000,000.
(B) Outlays, $23,700,000,000.
(6) Agriculture (350):
Fiscal year 2000:
(A) New budget authority, $14,300,000,000.
(B) Outlays, $13,200,000,000.
Fiscal year 2001:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $11,300,000,000.

Fiscal year 2002:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $10,000,000,000.
Fiscal year 2003:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $10,300,000,000.
Fiscal year 2004:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $10,500,000,000.
Fiscal year 2005:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $9,900,000,000.
Fiscal year 2006:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2007:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2008:
(A) New budget authority, $10,800,000,000.
(B) Outlays, $9,200,000,000.
Fiscal year 2009:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $9,200,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 2000:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $4,500,000,000.
Fiscal year 2001:
(A) New budget authority, $10,600,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 2002:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $10,200,000,000.
Fiscal year 2003:
(A) New budget authority, $14,500,000,000.
(B) Outlays, $10,900,000,000.
Fiscal year 2004:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $10,400,000,000.
Fiscal year 2005:
(A) New budget authority, $12,700,000,000.
(B) Outlays, $9,400,000,000.
Fiscal year 2006:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $9,100,000,000.
Fiscal year 2007:
(A) New budget authority, $12,700,000,000.
(B) Outlays, $8,900,000,000.
Fiscal year 2008:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $8,500,000,000.
Fiscal year 2009:
(A) New budget authority, $13,400,000,000.

(B) Outlays, $8,800,000,000.

(8) Transportation (400):

Fiscal year 2000:

(A) New budget authority, $51,800,000,000.

(B) Outlays, $45,800,000,000.

Fiscal year 2001:

(A) New budget authority, $51,000,000,000.

(B) Outlays, $47,700,000,000.

Fiscal year 2002:

(A) New budget authority, $50,800,000,000.

(B) Outlays, $47,300,000,000.

Fiscal year 2003:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $46,800,000,000.

Fiscal year 2004:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $46,300,000,000.

Fiscal year 2005:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $46,100,000,000.

Fiscal year 2006:

(A) New budget authority, $52,300,000,000.

(B) Outlays, $46,000,000,000.

Fiscal year 2007:

(A) New budget authority, $52,400,000,000.

(B) Outlays, $46,000,000,000.

Fiscal year 2008:

(A) New budget authority, $52,400,000,000.

(B) Outlays, $46,100,000,000.

Fiscal year 2009:

(A) New budget authority, $52,400,000,000.

(B) Outlays, $46,100,000,000.

(9) Community and Regional Development (450):

Fiscal year 2000:

(A) New budget authority, $7,400,000,000.

(B) Outlays, $10,700,000,000.

Fiscal year 2001:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $9,100,000,000.

Fiscal year 2002:

(A) New budget authority, $5,300,000,000.

(B) Outlays, $7,000,000,000.

Fiscal year 2003:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $6,100,000,000.

Fiscal year 2004:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $5,500,000,000.

Fiscal year 2005:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $4,800,000,000.

Fiscal year 2006:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $4,500,000,000.

Fiscal year 2007:
(A) New budget authority, $5,600,000,000.
(B) Outlays, $4,400,000,000.
Fiscal year 2008:
(A) New budget authority, $5,600,000,000.
(B) Outlays, $4,300,000,000.
Fiscal year 2009:
(A) New budget authority, $5,600,000,000.
(B) Outlays, $4,300,000,000.

(10) Elementary and Secondary Education, and Vocational Education (501):
Fiscal year 2000:
(A) New budget authority, $22,000,000,000.
(B) Outlays, $20,100,000,000.
Fiscal year 2001:
(A) New budget authority, $24,100,000,000.
(B) Outlays, $21,900,000,000.
Fiscal year 2002:
(A) New budget authority, $24,500,000,000.
(B) Outlays, $22,700,000,000.
Fiscal year 2003:
(A) New budget authority, $25,900,000,000.
(B) Outlays, $24,500,000,000.
Fiscal year 2004:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $25,600,000,000.
Fiscal year 2005:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $26,600,000,000.
Fiscal year 2006:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $26,800,000,000.
Fiscal year 2007:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $26,900,000,000.
Fiscal year 2008:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $26,900,000,000.
Fiscal year 2009:
(A) New budget authority, $26,900,000,000.
(B) Outlays, $26,900,000,000.

(11) Higher Education, Training, Employment, and Social Services (500, except for 501):
Fiscal year 2000:
(A) New budget authority, $43,300,000,000.
(B) Outlays, $43,500,000,000.
Fiscal year 2001:
(A) New budget authority, $41,400,000,000.
(B) Outlays, $41,900,000,000.
Fiscal year 2002:
(A) New budget authority, $41,200,000,000.
(B) Outlays, $40,900,000,000.
Fiscal year 2003:
(A) New budget authority, $42,700,000,000.

(B) Outlays, $41,900,000,000.
Fiscal year 2004:
(A) New budget authority, $43,000,000,000.
(B) Outlays, $42,300,000,000.
Fiscal year 2005:
(A) New budget authority, $43,900,000,000.
(B) Outlays, $42,900,000,000.
Fiscal year 2006:
(A) New budget authority, $44,600,000,000.
(B) Outlays, $43,700,000,000.
Fiscal year 2007:
(A) New budget authority, $45,500,000,000.
(B) Outlays, $44,500,000,000.
Fiscal year 2008:
(A) New budget authority, $46,500,000,000.
(B) Outlays, $45,500,000,000.
Fiscal year 2009:
(A) New budget authority, $46,500,000,000.
(B) Outlays, $45,500,000,000.
(12) Health (550):
Fiscal year 2000:
(A) New budget authority, $156,200,000,000.
(B) Outlays, $153,000,000,000.
Fiscal year 2001:
(A) New budget authority, $164,100,000,000.
(B) Outlays, $162,400,000,000.
Fiscal year 2002:
(A) New budget authority, $173,300,000,000.
(B) Outlays, $173,800,000,000.
Fiscal year 2003:
(A) New budget authority, $184,700,000,000.
(B) Outlays, $185,300,000,000.
Fiscal year 2004:
(A) New budget authority, $197,900,000,000.
(B) Outlays, $198,500,000,000.
Fiscal year 2005:
(A) New budget authority, $212,800,000,000.
(B) Outlays, $212,600,000,000.
Fiscal year 2006:
(A) New budget authority, $228,400,000,000.
(B) Outlays, $228,300,000,000.
Fiscal year 2007:
(A) New budget authority, $246,300,000,000.
(B) Outlays, $245,500,000,000.
Fiscal year 2008:
(A) New budget authority, $265,200,000,000.
(B) Outlays, $264,400,000,000.
Fiscal year 2009:
(A) New budget authority, $285,500,000,000.
(B) Outlays, $284,900,000,000.
(13) Medicare (570):
Fiscal year 2000:
(A) New budget authority, $208,700,000,000.
(B) Outlays, $208,700,000,000.

Fiscal year 2001:
(A) New budget authority, $222,100,000,000.
(B) Outlays, $222,300,000,000.
Fiscal year 2002:
(A) New budget authority, $230,600,000,000.
(B) Outlays, $230,200,000,000.
Fiscal year 2003:
(A) New budget authority, $250,700,000,000.
(B) Outlays, $250,900,000,000.
Fiscal year 2004:
(A) New budget authority, $268,600,000,000.
(B) Outlays, $268,700,000,000.
Fiscal year 2005:
(A) New budget authority, $295,600,000,000.
(B) Outlays, $295,200,000,000.
Fiscal year 2006:
(A) New budget authority, $306,800,000,000.
(B) Outlays, $306,900,000,000.
Fiscal year 2007:
(A) New budget authority, $337,600,000,000.
(B) Outlays, $337,800,000,000.
Fiscal year 2008:
(A) New budget authority, $365,600,000,000.
(B) Outlays, $365,200,000,000.
Fiscal year 2009:
(A) New budget authority, $394,100,000,000.
(B) Outlays, $394,200,000,000.
(14) Income Security (600):
Fiscal year 2000:
(A) New budget authority, $244,400,000,000.
(B) Outlays, $248,100,000,000.
Fiscal year 2001:
(A) New budget authority, $250,500,000,000.
(B) Outlays, $257,400,000,000.
Fiscal year 2002:
(A) New budget authority, $262,700,000,000.
(B) Outlays, $267,000,000,000.
Fiscal year 2003:
(A) New budget authority, $277,000,000,000.
(B) Outlays, $276,800,000,000.
Fiscal year 2004:
(A) New budget authority, $286,200,000,000.
(B) Outlays, $286,000,000,000.
Fiscal year 2005:
(A) New budget authority, $298,500,000,000.
(B) Outlays, $298,700,000,000.
Fiscal year 2006:
(A) New budget authority, $304,800,000,000.
(B) Outlays, $305,200,000,000.
Fiscal year 2007:
(A) New budget authority, $310,600,000,000.
(B) Outlays, $311,500,000,000.
Fiscal year 2008:
(A) New budget authority, $323,900,000,000.

(B) Outlays, $325,400,000,000.

Fiscal year 2009:

(A) New budget authority, $334,200,000,000.

(B) Outlays, $335,700,000,000.

(15) Social Security (650):

Fiscal year 2000:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $14,300,000,000.

Fiscal year 2001:

(A) New budget authority, $13,800,000,000.

(B) Outlays, $13,800,000,000.

Fiscal year 2002:

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

(B) Outlays, $15,600,000,000.

Fiscal year 2003:

(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,300,000,000.

Fiscal year 2004:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,100,000,000.

Fiscal year 2005:

(A) New budget authority, $18,000,000,000.

(B) Outlays, $17,900,000,000.

Fiscal year 2006:

(A) New budget authority, $18,900,000,000.

(B) Outlays, $18,900,000,000.

Fiscal year 2007:

(A) New budget authority, $19,900,000,000.

(B) Outlays, $19,900,000,000.

Fiscal year 2008:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $21,000,000,000.

Fiscal year 2009:

(A) New budget authority, $22,200,000,000.

(B) Outlays, $22,200,000,000.

(16) Veterans Benefits and Services (700):

Fiscal year 2000:

(A) New budget authority, $44,700,000,000.

(B) Outlays, $45,100,000,000.

Fiscal year 2001:

(A) New budget authority, $44,300,000,000.

(B) Outlays, $45,000,000,000.

Fiscal year 2002:

(A) New budget authority, $44,700,000,000.

(B) Outlays, $45,100,000,000.

Fiscal year 2003:

(A) New budget authority, $45,900,000,000.

(B) Outlays, $46,400,000,000.

Fiscal year 2004:

(A) New budget authority, $46,200,000,000.

(B) Outlays, $46,700,000,000.

Fiscal year 2005:

(A) New budget authority, $48,800,000,000.

(B) Outlays, $49,300,000,000.

Fiscal year 2006:
(A) New budget authority, $47,300,000,000.
(B) Outlays, $47,800,000,000.
Fiscal year 2007:
(A) New budget authority, $47,800,000,000.
(B) Outlays, $46,200,000,000.
Fiscal year 2008:
(A) New budget authority, $48,500,000,000.
(B) Outlays, $49,000,000,000.
Fiscal year 2009:
(A) New budget authority, $49,100,000,000.
(B) Outlays, $49,700,000,000.
(17) Administration of Justice (750):
Fiscal year 2000:
(A) New budget authority, $23,400,000,000.
(B) Outlays, $25,300,000,000.
Fiscal year 2001:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $25,100,000,000.
Fiscal year 2002:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $24,900,000,000.
Fiscal year 2003:
(A) New budget authority, $24,600,000,000.
(B) Outlays, $24,400,000,000.
Fiscal year 2004:
(A) New budget authority, $26,200,000,000.
(B) Outlays, $26,100,000,000.
Fiscal year 2005:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $26,200,000,000.
Fiscal year 2006:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $26,200,000,000.
Fiscal year 2007:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $26,300,000,000.
Fiscal year 2008:
(A) New budget authority, $26,500,000,000.
(B) Outlays, $26,300,000,000.
Fiscal year 2009:
(A) New budget authority, $26,500,000,000.
(B) Outlays, $26,400,000,000.
(18) General Government (800):
Fiscal year 2000:
(A) New budget authority, $12,300,000,000.
(B) Outlays, $13,500,000,000.
Fiscal year 2001:
(A) New budget authority, $11,900,000,000.
(B) Outlays, $12,600,000,000.
Fiscal year 2002:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,300,000,000.
Fiscal year 2003:

(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,200,000,000.
Fiscal year 2004:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,200,000,000.
Fiscal year 2005:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 2006:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $11,800,000,000.
Fiscal year 2007:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $11,900,000,000.
Fiscal year 2008:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $12,100,000,000.
Fiscal year 2009:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $11,900,000,000.
(19) Net Interest (900):
Fiscal year 2000:
(A) New budget authority, $275,500,000,000.
(B) Outlays, $275,500,000,000.
Fiscal year 2001:
(A) New budget authority, $271,000,000,000.
(B) Outlays, $271,000,000,000.
Fiscal year 2002:
(A) New budget authority, $267,400,000,000.
(B) Outlays, $267,400,000,000.
Fiscal year 2003:
(A) New budget authority, $265,100,000,000.
(B) Outlays, $265,100,000,000.
Fiscal year 2004:
(A) New budget authority, $263,400,000,000.
(B) Outlays, $263,400,000,000.
Fiscal year 2005:
(A) New budget authority, $261,000,000,000.
(B) Outlays, $261,000,000,000.
Fiscal year 2006:
(A) New budget authority, $258,600,000,000.
(B) Outlays, $258,600,000,000.
Fiscal year 2007:
(A) New budget authority, $257,000,000,000.
(B) Outlays, $257,000,000,000.
Fiscal year 2008:
(A) New budget authority, $254,700,000,000.
(B) Outlays, $254,700,000,000.
Fiscal year 2009:
(A) New budget authority, $252,700,000,000.
(B) Outlays, $252,700,000,000.
(20) Allowances (920):
Fiscal year 2000:
(A) New budget authority, −$8,000,000,000.

(B) Outlays, −$8,100,000,000.

Fiscal year 2001:

(A) New budget authority, −$8,500,000,000.

(B) Outlays, −$12,900,000,000.

Fiscal year 2002:

(A) New budget authority, −$6,400,000,000.

(B) Outlays, −$20,000,000,000.

Fiscal year 2003:

(A) New budget authority, −$4,400,000,000.

(B) Outlays, −$4,800,000,000.

Fiscal year 2004:

(A) New budget authority, −$4,500,000,000.

(B) Outlays, −$5,000,000,000.

Fiscal year 2005:

(A) New budget authority, −$4,500,000,000.

(B) Outlays, −$5,100,000,000.

Fiscal year 2006:

(A) New budget authority, −$4,600,000,000.

(B) Outlays, −$5,200,000,000.

Fiscal year 2007:

(A) New budget authority, −$5,200,000,000.

(B) Outlays, −$5,800,000,000.

Fiscal year 2008:

(A) New budget authority, −$5,300,000,000.

(B) Outlays, −$5,900,000,000.

Fiscal year 2009:

(A) New budget authority, −$5,300,000,000.

(B) Outlays, −$5,900,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 2000:

(A) New budget authority, −$34,300,000,000.

(B) Outlays, −$34,300,000,000.

Fiscal year 2001:

(A) New budget authority, −$36,900,000,000.

(B) Outlays, −$36,900,000,000.

Fiscal year 2002:

(A) New budget authority, −$43,600,000,000.

(B) Outlays, −$43,600,000,000.

Fiscal year 2003:

(A) New budget authority, −$37,000,000,000.

(B) Outlays, −$37,000,000,000.

Fiscal year 2004:

(A) New budget authority, −$37,100,000,000.

(B) Outlays, −$37,100,000,000.

Fiscal year 2005:

(A) New budget authority, −$38,100,000,000.

(B) Outlays, −$38,100,000,000.

Fiscal year 2006:

(A) New budget authority, −$38,800,000,000.

(B) Outlays, −$38,800,000,000.

Fiscal year 2007:

(A) New budget authority, −$40,100,000,000.

(B) Outlays, −$40,100,000,000.

Fiscal year 2008:

(A) New budget authority, −$40,900,000,000.
(B) Outlays, −$40,900,000,000.

Fiscal year 2009:
(A) New budget authority, −$41,800,000,000.
(B) Outlays, −$41,800,000,000.

SEC. 4. RECONCILIATION.

Not later than September 30, 1999, the House Committee on Ways and Means shall report to the House a reconciliation bill that consists of changes in laws within its jurisdiction such that the total level of revenues is not less than: $1,408,500,000,000 in revenues for fiscal year 2000, $7,416,800,000,000 in revenues for fiscal years 2000 through 2004, and $16,155,700,000,000 in revenues for fiscal years 2000 through 2009.

SEC. 5. SAFE DEPOSIT 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 2000, the social security surplus will exceed $137 billion;

(5) for the first time, a concurrent resolution on the budget balances the Federal budget without counting social security surpluses; and

(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.

(b) POINT OF ORDER.—(1) It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or any amendment thereto or conference report thereon, that sets forth a deficit for any fiscal year. 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. In setting forth the deficit level pursuant to such section, that level shall not include any adjustments in aggregates that would be made pursuant to any reserve fund that provides for adjustments in allocations and aggregates for legislation that enhances retirement security or extends the solvency of the medicare trust funds or makes such changes in the medicare payment or benefit structure as are necessary.

(2) Paragraph (1) may be waived in the Senate only by the affirmative vote of three-fifths of the Members voting.

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

(1) legislation should be considered to augment subsection (b) by establishing a statutory limit on debt held by the public and reducing such limit by the amounts of the social security surpluses; and

(2) beginning with fiscal year 2000, legislation should be enacted to require any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Government of surplus or deficit totals of the budget of the Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such offices or any other such agency or instrumentality, should exclude the outlays and receipts of the old-age, survivors, and disability insurance program under title II of the Social Security Act (including the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund) and the related provisions of the Internal Revenue Code of 1986.

SEC. 6. RESERVE FUND FOR RETIREMENT SECURITY AND, AS NEEDED, MEDICARE.

(a) RETIREMENT SECURITY.—Whenever the Committee on Ways and Means of the House reports a bill, or an amendment thereto is offered, or a conference report thereon is submitted that enhances retirement security, the chairman of the Committee on the Budget may—

(1) increase the appropriate allocations for each of fiscal years 2000 through 2004 and aggregates for each of fiscal years 2000 through 2009 of new budget authority and outlays by the amount of new budget authority provided by such measure (and outlays flowing therefrom) for such fiscal year for that purpose; and

(2) reduce the revenue aggregates for each of fiscal years 2000 through 2009 by the amount of the revenue loss resulting from that measure for such fiscal year for that purpose.

(b) MEDICARE PROGRAM.—Whenever the Committee on Ways and Means or the Committee on Commerce of the House reports a bill, or an amendment thereto is offered, or a conference report thereon is submitted that extends the solvency or reforms the benefit or payment structure of the medicare program in response to the National Bipartisan Commission on the Future of Medicare, the chairman of the Committee on the Budget may increase the appropriate allocations and aggregates of new budget authority and outlays by the amounts provided in that bill for that purpose.

(c) LIMITATION.—(1) The chairman of the Committee on the Budget may only make adjustments under subsection (a) or (b) if the net outlay increase plus revenue reduction resulting from any measure referred to in those subsections (including any prior adjustments made for any other such measure) for fiscal year 2000, the period of fiscal years 2000 through 2004, or the period of fiscal years 2000 through 2009 is not greater than an amount equal to the projected social security surplus for such period, as set forth in the joint explanatory statement of managers accompanying this concurrent resolution or, if published, the midsession review for fiscal year 2000 of the Director of the Congressional Budget Office. For purposes of the preceding sentence, revenue reductions shall be treated as a positive number.

(2) In the midsession review for fiscal year 2000, the Director of the Congressional Budget Office shall make an up-to-date estimate of the projected surpluses in the social security trust funds for fiscal year 2000, for the period of fiscal years 2000 through 2004, and for the period of fiscal years 2000 through 2009.

(3) As used in this subsection, the term "social security trust funds" means the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

SEC. 7. RESERVE FUND FOR PROGRAMS AUTHORIZED UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

(a) IN GENERAL.—In the House, when the Committee on Appropriations reports a bill or joint resolution, or an amendment thereto is offered, or a conference report thereon is submitted that provides new budget authority for fiscal year 2000, 2001, 2002, 2003, or 2004 for programs authorized under the Individuals with Disabilities Education Act (IDEA), the chairman of the Committee on the Budget may increase the appropriate allocations and aggregates of new budget authority and outlays by an amount not to exceed the amount of new budget authority provided by that measure (and outlays flowing therefrom) for that purpose up to the maximum amount consistent with section 611(a) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(a)(2)).

(b) ADJUSTMENTS.—The adjustments in outlays (and the corresponding amount of new budget authority) made under subsection (a) for any fiscal year may not exceed the amount by which an up-to-date projection of the on-budget surplus made by the Director of the Congressional Budget Office for that fiscal year exceeds the on-budget surplus for that fiscal year set forth in section 2(4) of this resolution.

(c) CBO PROJECTIONS.—Upon the request of the chairman of the Committee on the Budget of the House, the Director of the Congressional Budget Office shall make an up-to-date estimate of the projected on-budget surplus for the applicable fiscal year.

SEC. 8. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) APPLICATION.—Any adjustments of allocations and aggregates made pursuant to this resolution 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.

SEC. 9. UPDATED CBO PROJECTIONS.

Each calendar quarter the Director of the Congressional Budget Office shall make an up-to-date estimate of receipts, outlays and surplus (on-budget and off-budget) for the current fiscal year.

SEC. 10. SENSE OF CONGRESS ON THE COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM.

(a) FINDINGS.—Congress finds that—

(1) persecution of individuals on the sole ground of their religious beliefs and practices occurs in countries around the world and affects millions of lives;

(2) such persecution violates international norms of human rights, including those established in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the Helsinki Accords, and the Declaration on the Elimination of all Forms of Intolerance and Discrimination Based on Religion or Belief;

(3) such persecution is abhorrent to all Americans, and our very Nation was founded on the principle of the freedom to worship according to the dictates of our conscience; and

(4) in 1998 Congress unanimously passed, and President Clinton signed into law, the International Religious Freedom Act of 1998, which established the United States Commission on International Religious Freedom to monitor facts and circumstances of violations of religious freedom and authorized $3,000,000 to carry out the functions of the Commission for each of fiscal years 1999 and 2000.

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

(1) this resolution assumes that $3,000,000 will be appropriated within function 150 for fiscal year 2000 for the United States Commission on International Religious Freedom to carry out its duties; and

(2) the House Committee on Appropriations is strongly urged to appropriate such amount for the Commission.

SEC. 11. SENSE OF THE HOUSE ON PROVIDING ADDITIONAL DOLLARS TO THE CLASSROOM.

(a) FINDINGS.—The House 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) working 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 THE HOUSE.—It is the sense of the House that—

(1) the House 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. 12. SENSE OF CONGRESS ON ASSET-BUILDING FOR THE WORKING POOR.

(a) FINDINGS.—Congress finds that—

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

(2) 46.9 percent of all 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 which encourage asset-building should be established;

(4) across the Nation numerous small public, private, and public-private asset-building initiatives (including individual development account programs) are demonstrating success at empowering low-income workers;

(5) the Government currently provides middle and upper income Americans with hundreds of billions of dollars in tax incentives for building assets; and

(6) the Government should utilize tax laws or other measures 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 any changes in tax law should include provisions which encourage low-income workers and their families to save for buying their first home, starting a business, obtaining an education, or taking other measures to prepare for the future.

SEC. 13. 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) 43.4 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 and children 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 Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, reformed the interim payment system to increase reimbursements to low-cost providers, added $900 million in funding, and delayed the automatic 15 percent payment reduction for one year, to October 1, 2000; 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 interim payment system and ensure timely implementation of the prospective payment system.

SEC. 14. SENSE OF THE HOUSE ON MEDICARE PAYMENT.

(a) FINDINGS.—The House finds that—

(1) a goal of the Balanced Budget Act of 1997 was to expand options for medicare beneficiaries under the new Medicare+Choice program;

(2) Medicare+Choice was intended to make these choices available to all medicare beneficiaries; and unfortunately, during the first two years of the Medicare+Choice program the blended payment was not implemented, stifling health care options and continuing regional disparity among many counties across the United States; and

(3) the Balanced Budget Act of 1997 also established the National Bipartisan Commission on the Future of Medicare to develop legislative recommendations to address the long-term funding challenges facing medicare.

(b) SENSE OF THE HOUSE.—It is the sense of the House that this resolution assumes that funding of the Medicare+Choice program is a priority for the House Committee on the Budget before financing new programs and benefits that may potentially add to the imbalance of payments and benefits in Fee-for-Service Medicare and Medicare+Choice.

SEC. 15. SENSE OF THE HOUSE ON ASSESSMENT OF WELFARE-TO-WORK PROGRAMS.

(a) IN GENERAL.—It is the sense of the House that, recognizing the need to maximize the benefit of the Welfare-to-Work Program, the Secretary of Labor should prepare a report on Welfare-to-Work Programs pursuant to section 403(a)(5) of the Social Security Act. This report should include information on the following—

(1) the extent to which the funds available under such section have been used (including the number of States that have not used any of such funds), the types of programs that have received such funds, the number of and characteristics of the

recipients of assistance under such programs, the goals of such programs, the duration of such programs, the costs of such programs, any evidence of the effects of such programs on such recipients, and accounting of the total amount expended by the States from such funds, and the rate at which the Secretary expects such funds to be expended for each of the fiscal years 2000, 2001, and 2002;

(2) with regard to the unused funds allocated for Welfare-to-Work for each of fiscal years 1998 and 1999, identify areas of the Nation that have unmet needs for Welfare-to-Work initiatives; and

(3) identify possible Congressional action that may be taken to reprogram Welfare-to-Work funds from States that have not utilized previously allocated funds to places of unmet need, including those States that have rejected or otherwise not utilized prior funding.

(b) REPORT.—It is the sense of the House that, not later than October 1, 1999, the Secretary of Labor should submit to the Committee on the Budget and the Committee on Ways and Means of the House and the Committee on Finance of the Senate, in writing, the report described in subsection (a).

SEC. 16. SENSE OF CONGRESS ON PROVIDING HONOR GUARD SERVICES FOR VETERANS' FUNERALS.

It is the sense of Congress that all relevant congressional committees should make every effort to provide sufficient resources so that an Honor Guard, if requested, is available for veterans' funerals.

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