

109TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
109-17

**CONCURRENT RESOLUTION
ON THE BUDGET—FISCAL
YEAR 2006**

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H. Con. Res. 95

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2006, REVISING APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEAR 2005, AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2007 THROUGH 2010

together with

MINORITY VIEWS



MARCH 11, 2005.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 2006

109TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

{ REPORT
109-17

**CONCURRENT RESOLUTION
ON THE BUDGET—FISCAL
YEAR 2006**

R E P O R T

OF THE

**COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES**

TO ACCOMPANY

H. Con. Res. 95

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2006, REVISING APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEAR 2005, AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2007 THROUGH 2010

together with

MINORITY VIEWS



MARCH 11, 2005.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

99-829

WASHINGTON : 2005

COMMITTEE ON THE BUDGET

JIM NUSSLE, Iowa, *Chairman*

ROB PORTMAN, Ohio, <i>Vice Chairman</i>	JOHN M. SPRATT, Jr., South Carolina, <i>Ranking Minority Member</i>
JIM RYUN, Kansas	DENNIS MOORE, Kansas
ANDER CRENSHAW, Florida	RICHARD E. NEAL, Massachusetts
ADAM H. PUTNAM, Florida	ROSA L. DeLAURO, Connecticut
ROGER F. WICKER, Mississippi	CHET EDWARDS, Texas
KENNY C. HULSHOF, Missouri	HAROLD E. FORD, Jr., Tennessee
JO BONNER, Alabama	LOIS CAPPS, California
SCOTT GARRETT, New Jersey	BRIAN BAIRD, Washington
J. GRESHAM BARRETT, South Carolina	JIM COOPER, Tennessee
THADDEUS G. McCOTTER, Michigan	ARTUR DAVIS, Alabama
MARIO DIAZ-BALART, Florida	WILLIAM J. JEFFERSON, Louisiana
JEB HENSARLING, Texas	THOMAS H. ALLEN, Maine
ILEANA ROS-LEHTINEN, Florida	ED CASE, Hawaii
DANIEL E. LUNGREN, California	CYNTHIA McKINNEY, Georgia
PETE SESSIONS, Texas	HENRY CUELLAR, Texas
PAUL RYAN, Wisconsin	ALLYSON Y. SCHWARTZ, Pennsylvania
MICHAEL K. SIMPSON, Idaho	RON KIND, Wisconsin
JEB BRADLEY, New Hampshire	
PATRICK T. McHENRY, North Carolina	
CONNIE MACK, Florida	
K. MICHAEL CONAWAY, Texas	

PROFESSIONAL STAFF

JAMES T. BATES, *Chief of Staff*
THOMAS S. KAHN, *Minority Staff Director and Chief Counsel*

CONTENTS

	PAGE
Introduction	3
The Economy and Economic Assumptions	11
Economic Projections: Administration, CBO, and Private Forecasters (Table 1)	15
Economic Assumptions of the Budget Resolution (Table 2)	16
Revenue	17
Function-by-Function Presentation:	19
050 National Defense	21
150 International Affairs	22
250 General Science, Space and Technology	23
270 Energy	24
300 Natural Resources and Environment	25
350 Agriculture	26
370 Commerce and Housing Credit	27
400 Transportation	29
450 Community and Regional Development	31
500 Education, Training, Employment and Social Services	32
550 Health	33
570 Medicare	34
600 Income Security	35
650 Social Security	37
700 Veterans Benefits and Services	38
750 Administration of Justice	39
800 General Government	40
900 Net Interest	41
920 Allowances	42
950 Undistributed Offsetting Receipts	44
Summary Tables: Revenue and Spending	45
Comparison of Total Revenues for President's Request and Committee Recommendation (Table 3)	45
Comparison of On-Budget Revenues for President's Request and Com- mittee Recommendation (Table 4)	46
CBO Baseline Revenues by Source, in Billions of Dollars (Table 5)	47
CBO Baseline Revenues by Source, as Percent of GDP (Table 6)	47
Comparison of Total Revenues for CBO Baseline and Committee Rec- ommendation (Table 7)	48
Comparison of Total Revenues, as Percent of GDP, for CBO Baseline and Committee Recommendation (Table 8)	49
Tax Expenditure Estimates by Budget Function, Fiscal Years 2005-2009 (Table 9)	50
Fiscal Year 2006 Budget Resolution Total Spending and Revenues (Table 10)	56
Fiscal Year 2006 Budget Resolution Discretionary Spending (Table 11)	58
Fiscal Year 2006 Budget Resolution Mandatory Spending (Table 12)	60
Fiscal Year 2006 Budget Resolution Minus the President's Budget (Table 13)	62
Fiscal Year 2006 Budget Resolution Compared to 2005: Total Spending and Revenues (Table 14)	64
Fiscal Year 2006 Budget Resolution Compared to 2005: Total Spending and Revenues (Percentage Change) (Table 15)	66
Reconciliation	69
Reconciliation Instructions to House Authorizing Committees (Table 16) ..	71
Section-by-Section Summary of the Budget Resolution	73
The Congressional Budget Process	81
Appropriations Committee	81

IV

	Page
The Congressional Budget Process—Continued	
Authorizing Committees	82
Adjustments	82
Enforcement	83
Allocation of Spending Authority to House Appropriations Committee (Table 17)	85
Allocations of Spending Authority to House Committees Other Than Ap- propriations (Table 18)	86
Enforcing the Budget Resolution	89
Votes of the Committee	91
Additional Report Language	113
Other Matters To Be Discussed Under the Rules of the House	119
Committee on the Budget Oversight Findings and Recommendations	119
New Budget Authority, Entitlement Authority, and Tax Expenditures	119
General Performance Goals and Objectives	119
Additional, Supplemental, Dissenting and Minority Views	119
Appendix—The Concurrent Resolution on the Budget	127

LIST OF ACRONYMS

Office of Management and Budget	OMB
Congressional Budget Office	CBO
Gross Domestic Product	GDP
Budget Authority	BA

TABLES

	Page
Table 1: Economic Projections: Administration, CBO, and Private Forecasters	15
Table 2: Economic Assumptions of the Budget Resolution	16
Table 3: Comparison of Total Revenues for President's Request and Committee Recommendation	45
Table 4: Comparison of On-Budget Revenues for President's Request and Committee Recommendation	46
Table 5: CBO Baseline Revenues by Source, in Billions of Dollars	47
Table 6: CBO Baseline Revenues by Source, as Percent of GDP	47
Table 7: Comparison of Total Revenues for CBO Baseline and Committee Recommendation	48
Table 8: Comparison of Total Revenues, as Percent of GDP, for CBO Baseline and Committee Recommendation	49
Table 9: Tax Expenditure Estimates by Budget Function, Fiscal Years 2005–2009	50
Table 10: Fiscal Year 2006 Budget Resolution Total Spending and Revenues ..	56
Table 11: Fiscal Year 2006 Budget Resolution Discretionary Spending	58
Table 12: Fiscal Year 2006 Budget Resolution Mandatory Spending	60
Table 13: Fiscal Year 2006 Budget Resolution Minus the President's Budget ..	62
Table 14: Fiscal Year 2006 Budget Resolution Compared to 2005: Total Spending and Revenues	64
Table 15: Fiscal Year 2006 Budget Resolution Compared to 2005: Total Spending and Revenues (Percentage Change)	66
Table 16: Reconciliation Instructions to House Authorizing Committees	71
Table 17: Allocation of Spending Authority to House Appropriations Committee	85
Table 18: Allocations of Spending Authority to House Committees Other Than Appropriations	86

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL
YEAR 2006

—————
MARCH 11, 2005.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

—————
Mr. NUSSLE, from the Committee on Budget,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H. Con. Res. 95]

Introduction

SETTING THE PATH

Long before today—even long before Congress received the President’s budget proposal—the priorities of this fiscal year 2006 budget were clear. The driving force of this budget *had* to be, before all else, providing for America’s *most urgent needs*. They are:

- *Continued Strength*. America is free, and will remain free, as long as the Nation is strong enough to defend that freedom at home, and around the world.
- *Continued Growth*. To remain the world’s most prosperous nation, Congress must ensure that America’s economy *continues* to grow and to create jobs.
- *Restrained Spending*. America’s *continued* greatness comes from the unlimited opportunities that freedom provides. Congress must continue encouraging opportunities for a better life for every American, and must also ensure those opportunities and benefits for the *next* generation. All government spending must be paid for, either through taxes or through borrowing—and both burden the economy. Controlling spending eases that burden—and therefore is itself a policy favoring economic growth.

Congress has addressed *extraordinary* spending demands in the past several years, and faces an unsustainable rate of spending growth that both Republicans and Democrats have created. Congress must meet this challenge as it faces what Federal Reserve Chairman Greenspan calls “an unprecedented demographic shift”—a shift that will put exceptional strains on the government’s entitlement programs, and the Nation’s economy. As discussed below, under “Mandatory Spending,” a principal aim of this budget resolution is to begin addressing the unsustainable growth of these programs.

FIRST STEPS

Last year, this committee began the process of recovering from a crisis mode—generated by the necessary response to 9–11—and entering a long-term planning mode that is critical at this time in the Nation’s history.

Last year’s budget called for no tax increases. This was based on an economic policy that had bolstered the recovery and expansion already under way, but not yet fully developed. Due in large part to the fiscal policies of the past several years, the Nation is now enjoying strong, sustained economic growth and job creation, including:

- The strongest real growth in gross domestic product [GDP] in 5 years, and one of the strongest *sustained* performances of the past 2 decades.

- More than 3.0 million new jobs created over the past 21 months, record high employment, low unemployment. In February this year, payroll employment increased by 262,000 jobs.
- Business equipment investment stands at a 7-year high.
- Home ownership rates have reached *record* highs.
- A consensus among private Blue Chip forecasters—as well as the Federal Reserve—believe the economy is in for a sustained expansion.

Congress also slowed the rate of non-homeland security, non-defense spending discretionary growth to about 2.1 percent—roughly the rate of inflation—compared with the previous 5-year average of 6.0 percent.

Because of these efforts, last year's budget deficit fell \$109 billion from its original estimate—a reduction of 20 percent that put Congress on track to cutting the deficit in half by 2009.

NEXT STEPS, STARTING NOW

This year the President's budget took some tough, but necessary, *next* steps to slow spending while ensuring the Nation's priorities were met. The proposal included holding all non-homeland, non-defense spending *below inflation*. This budget resolution follows that path.

The budget also follows the President's effort to find savings in the largest part of the Federal budget—the 55 percent of spending that operates on automatic-pilot each year, that keeps growing every year, largely without any review or oversight: the mandatory side of the ledger.

- Although the committees of jurisdiction will determine the specific policies—which may or may not include the President's recommendations—the budget does track with the total savings amounts the administration proposed. This too is a necessary step.
- As Chairman Greenspan told the Budget Committee: “You either choose to do something in advance, which will ameliorate the problem * * * or wait until the problem is right on you, in which the solutions are going to be very painful.” This budget chooses—as tough as it may be—to begin dealing with the problem now.

Like last year's budget, this plan takes into account funding for the ongoing military operations in Iraq and Afghanistan. Obviously, it cannot be known at this time what the actual costs will be. But without question, there will be costs—and the budget provides for them. The budget includes \$50 billion for fiscal year 2006 in anticipation of supplemental appropriations for these activities. It is the same figure as was included for fiscal year 2005 in last year's resolution.

Finally, with this combination, the budget cuts the deficit in half, both in dollars and as a percent of gross domestic product.

DEFENSE AND HOMELAND SECURITY

As became painfully clear on September 11, 2001, this Nation had severe defense and homeland security deficits that had to be addressed. Since that day, Congress has provided whatever was

needed to protect and defend the Nation, and support the needs of its troops.

- Since September 11, Congress has spent about \$1.9 *trillion* to provide for defense and homeland security. That does not include the supplementals already enacted, which add on about another \$248 billion.
- These figures reflect a great deal of necessary, and costly, building, rebuilding, and across-the-board updating to correct those deficits. Congress acted quickly, deliberately, and in a bipartisan way, to provide for those critical needs.
This year's budget builds on the substantial progress already made.

Defense

The national defense budget continues the multiyear plan to enable the military both to fight the war against terrorism now, and to transform itself to counter unconventional threats in the future.

This budget fully accommodates the President's request for the Department of Defense, and increases funding to \$419.5 billion in discretionary spending—an increase of about 4.8 percent. It also proposes a sustained average increase of 3.0 percent over the next 5 years—*not counting supplementals*—following on the heels of a more than 35-percent increase between 2001 and 2005.

Key funding areas include:

- *Military Pay and Benefits.* To support military personnel—and to allow DOD to continue recruiting and training first-rate forces—this budget builds on the critically needed funding increases of the past few years for military pay and benefits. Since President Bush took office, spending in military personnel accounts has increased by approximately 40 percent—providing for such quality-of-life advancements as: an increase of more than 21 percent in basic pay; a reduction of average out-of-pocket housing expenses for military personnel—from an average of 18 percent before 2001, to an average of zero now; the full funding of health benefits for active duty members, retirees, and their dependents.
- *Operations and Maintenance.* The budget provides for increases in training and education, operations, and support of the military forces; maintenance of field weapon systems and equipment; and operation and maintenance of facilities. In total, Operations and Maintenance—the core of the military's readiness to fight the Global War Against Terrorism—has increased by 20 percent since 2001.
- *Procurement.* To continue accelerated efforts to replace worn out or obsolete equipment, the budget provides the necessary funds for procurement of new ships, aircraft, and vehicles, as well as the purchase and initial fielding of weapon systems, ammunition, and other combat-related systems. Over the past 4 years, funding for procurement has increased by 25 percent. The budget also provides for the continued deployment of defenses against long-range ballistic missile threats.
- *Research and Development.* The budget provides the resources for research, development, testing, and evaluation—the seed money for the next generation of weapons. *Funding for research and development has increased 65 percent in the past 4 years.*

- *Iraq and Afghanistan.* As noted, the budget also includes \$50 billion to provide for the ongoing war against terrorism.

Homeland Security

This budget provides for total spending of \$49.9 billion, excluding offsets for fee-funded activities. The funds are distributed over multiple budget functions with homeland-security-related activities. The total includes a net increase of 2.3 percent in non-military appropriated accounts, including \$32.5 billion for the Department of Homeland Security. Other homeland security-related funding goes to: the Department of Defense, 19 percent; the Department of Health and Human Services, 9 percent; the Department of Justice, 6 percent; and the remainder spread throughout the government.

These funds will work to meet the needs in the three key strategic areas of homeland security, including:

- *Preventing Attacks.* The budget can accommodate increases in funding homeland security programs and agencies specifically designed to help prevent attacks from occurring, including border security, counter-terrorism, and counter-intelligence.
- *Reducing Vulnerabilities.* The budget works to reduce and eliminate the risks of attacks on U.S. ports, rails, skies, food supplies, and roads by allowing for increases in programs and agencies that help protect all these important areas of commerce and travel.
- *Ensuring Preparedness.* This budget also helps to ensure the Nation's first responders have the necessary material and equipment to handle emergencies.

Key initiatives of the President's proposals supported by this budget include:

- A sum of \$40.4 billion for total homeland security spending outside the Department of Defense.
- For the Department of Homeland Security, \$38.3 billion—a 177.5-percent increase from fiscal year 2001 for agencies moving into the Department. Included in this total is \$2.5 billion for Project BioShield, to secure new vaccines against smallpox, anthrax, and botulinum toxin.

The increase in this year's budget follows on the heels of massive increases of the past few years.

- In 2000, spending in this category was about \$9 billion. Over the past 5 years, Congress has increased spending in this category at an average rate of about 28 percent per year.
- Congress invested more than \$50 billion to create the Department of Homeland Security, reorganized 22 agencies consisting of 180,000 employees and their missions, and invested heavily to protect the homeland against threats such as bio-terrorism.

CONTINUED GROWTH

The past 4 years, the Nation's economic picture has brightened remarkably. The country and the economy have endured the bursting of the stock market bubble; corporate scandals; a recession; the terrorist attacks and their aftermath; and the uncertainties of an international war against terrorism, including conflicts in Afghanistan and in Iraq.

Today, the general consensus of both private and public forecasters is that the U.S. economy is in a *sustained* expansion with solid growth of real GDP and payroll jobs, and with low unemployment and low inflation.

The speed and strength of the economic recovery of the past several years has been due in large part to the tax relief packages passed in 2001, 2002, and 2003—and the extensions of tax relief passed last year. These policies will *continue* to work to promote *sustained* economic growth and job creation.

Beyond the obvious benefits, sustained growth is needed to reduce the budget deficit. It will not erase the deficit on its own; but without economic growth, the budget never will return to balance. So continued economic growth is one of the overriding priorities of this budget.

That means that there will be no tax increase. The lowered tax burdens of the past several years will remain in place. Although the budget resolution does not explicitly define specific changes in tax policy—those will be determined by the Committee on Ways and Means—the resolution provides for permanent extension of tax laws enacted in the 2001 and 2003. It also could accommodate packages of energy tax incentives and charitable contribution incentives.

RESTRAINED SPENDING

All spending *must* get paid for, either through taxes or borrowing—and both are burdens on the economy. For that reason alone, controlling spending is itself a policy for sustaining stronger economic growth.

Discretionary Spending

This budget calls for a 0.8-percent reduction for fiscal year 2006 in total non-defense, non-homeland-security spending. The specific program actions for achieving this restraint will be determined, as always, by the Committee on Appropriations. The budget sets the fences; the Appropriations Committee determines the policies.

Last year Congress began the process of reining in discretionary spending. The savings—combined with strong economic growth and job creation—helped reduce the budget deficit by \$109 billion from its earlier projections. This budget continues the process by holding the line on non-security appropriated spending.

It is important to grasp the background of this spending restraint. On the discretionary side of the budget—in programs subject to annual appropriations—spending has grown by an average of 6.1 percent per year in the past 10 years. Even last year, these programs grew by about 4.3 percent, excluding the cost of the Iraq conflict.

Some examples:

- *Education.* Although this is quintessentially a State and local function, the Federal Government's funding for education has increased by an average of 9.7 percent per year since 2000. In fact, aside from the newly-created Department of Homeland Security, the Department of Education has grown faster than any other agency during this period. This has included a 55-percent in-

crease in Title 1, a 57-percent increase for Pell Grants, and an 87-percent increase in funding for the Individuals with Disabilities Education Act. Congress also passed the No Child Left Behind Act of 2001, which demands *results* from schools in exchange for Federal dollars.

- *Agriculture.* Since 1996, funding for all programs administered through the U.S. Department of Agriculture has grown by more than 5 percent per year. In 2002, Congress passed the Farm Security and Rural Investment Act, a farm bill that sets the course of agricultural policy through 2007. The new law continues orientation toward free agricultural markets, allowing producers to exercise their own discretion on cropping and other production choices, and strengthens the farmer safety net through the new direct and counter-cyclical support programs.
- *Veterans.* Since 1995, great strides have been made in improving benefits for the Nation's veterans through *hefty* increases in funding and substantial increases in benefits and services. In 1996 and 1999, Congress expanded eligibility for medical care. As a result, the number of veterans using VA medical care has increased from 2.5 million in 1995, to 4.8 million today. Since 1995, total spending on veterans has increased from \$38 billion to \$67.6 billion, a 77-percent increase. Funding for veterans' medical care has increased from \$16.2 billion in 1995 to \$29.9 billion today. Congress also has increase monthly education benefit payment levels under the Montgomery GI Bill from \$405 to \$1,004—an increase of 147 percent. Finally, military retirees injured in combat, while training for combat, or who are 50-percent or more service-disabled, may now—for the first time in over a century—receive retirement benefits concurrently with veterans disability compensation.

Mandatory Spending

Although last year's budget began to control spending by limiting domestic appropriated accounts, mandatory programs continued to grow without restraint. This year, net mandatory spending (excluding interest) consumes 55 percent of the budget. If it continues at its current rate, by 2015 it will reach 61 percent of the budget—and it will crowd out more and more of other priorities, such as education, veterans, science, and the environment, as well as any kind of overall budget control.

The problem in mandatory spending—the automatic-pilot spending that grows every year, mostly without any reform or review—is nearly as old as the Budget Act itself.

- In 1969, total mandatory spending, excluding interest, was 5.7 percent of GDP and 29.2 percent of total Federal spending (including the effect of offsetting receipts). Annual appropriations controlled 63.9 percent of outlays.
- By 1975, the year after enactment of the Budget Act, net non-interest mandatory spending had leapt to 45.5 percent of total spending, and 9.7 percent of GDP.
- In 1982, this net mandatory spending reached double-digit percentages of GDP, at 10.4 percent.
- In 1996, non-interest mandatory spending reached 50.4 percent of the budget, and would never again consume less than half of

the government's outlays. The spending controlled by annual appropriations had fallen to 34.1 percent of GDP.

Some examples:

- *Student Loans.* Since 2000, student loan volume has increased by 72 percent, with loans increasing by an average \$32 billion *each year*.
- *Medicare.* In just the past decade, since 1995, Medicare spending has grown 88 percent. This year alone, it will spend \$293 billion. Over the next 5 years, the Congressional Budget Office estimates that Federal Medicare outlays will grow to \$2 *trillion*.
- *Medicaid.* Since 1995, Medicaid spending has grown 211 percent. This year the Federal Government will spend \$183.2 billion on Medicaid, and over the next 5 years, that spending will total more than \$1.1 *trillion*.

Federal spending cannot be controlled without control of mandatory spending. Hence this budget includes reconciliation instructions to a select group of authorizing committees. It calls for slowing the growth of total mandatory spending (including interest) to an average of 6.3 percent per year (over the next 5 years), compared with its current-law rate of 6.4 percent per year. This translates to approximately \$68.6 billion in savings over the next 5 years, spread among nine authorizing committees.

The budget directs each of the selected committees to find a specified amount of savings. It does not tell them how or where to find those savings. The budget has a number for each committee, and it directs them to find that amount of savings. This is the step—the critical step—this budget takes to begin the process of getting our mandatory spending back to a sustainable level. The budget sets the fences within which the authorizing committees are to work.

Reconciliation directives have appeared from time to time in past, in various magnitudes. All were worthwhile, but none “solved” the fundamental problem—as demonstrated by the continued growth of mandatories. The directives in this budget should not be seen as the last that will ever be written. It is far more likely that mandatory spending is a challenge Congress will need to address frequently in future years—a challenge to be answered incrementally, through regular, disciplined oversight and review.

Social Security

Although Social Security has major fiscal and economic effects, it is classified as “off budget.” Hence the reported resolution does not attempt to address the many unknowns in the pending issue of Social Security reform.

At present, there is no Social Security plan to reflect in the budget. Many proposals have been offered; many options are on the table. But it is unknown what kind of plan Congress might develop, or when. To try to anticipate that here is to encumber the budget with something that does not even exist as yet.

CONCLUSION

As noted at the outset, this budget is driven by three principles:

- Keeping America free by maintaining its strength around the world, and its security at home.
- Supporting the economic prosperity that assures work and opportunity for all Americans.
- Securing opportunity for future generation by restraining government's burden on the economy. The budget achieves this by maintaining the lower tax burdens enacted in the past 4 years, and then also taking the next necessary step: reining in the growth of government spending.

These three principles constitute the budget's purpose—and that purpose is what makes the exercise of budgeting meaningful.

The Economy and Economic Assumptions

SUSTAINED EXPANSION FOLLOWING THE CHALLENGES OF RECENT YEARS

Recent data confirm that 2004 displayed one of the best performances for the U.S. economy in the past 2 decades—including strong growth in real gross domestic product [GDP] and business investment, rebounding payroll employment, falling unemployment, and robust housing markets.

Looking forward, public and private forecasters expect the economy to continue in a sustained expansion, with solid real growth, ongoing payroll jobs gains, and low unemployment and inflation.

The Nation's economic picture has undergone remarkable changes in the past 4 years, and no one should underestimate the challenges overcome. The Nation and the economy endured the bursting of the stock market bubble; corporate scandals; a recession; the terrorist attacks and their aftermath; and the uncertainties of an international war against terrorism, including conflicts in Afghanistan and in Iraq.

The steady improvements are a testament to the fundamental strength, resilience and flexibility of the U.S. economy. In addition, fiscal and monetary policies combined to play major roles in keeping the adverse effects of the 2000–01 slowdown and recession milder than otherwise would have been the case and to help boost the economy in its recovery from the recession and as it enters a sustained expansion.

In response to the challenges cited above, Congress and the President acted together and took quick, deliberate action. The responses included tax relief for the economy and necessary spending increases for national defense and homeland security—and because of those efforts, the Nation today stands in a much better position.

Fiscal policy actions have been particularly aggressive in working to boost the economy. Three major tax relief bills became law over 2001–03:

- The *Economic Growth and Tax Relief Reconciliation Act of 2001* (June 2001) provided for immediate and phased-in reductions in income taxes and tax rates, as well as other tax relief and incentives. Joint Committee on Taxation [JCT] estimates showed the tax relief totaling nearly \$300 billion over fiscal years 2001–04, and more than \$100 billion per year in subsequent years.
- The *Job Creation and Worker Assistance Act of 2002* (March 2002)—in addition to providing extended unemployment benefits and special tax relief following September 11—provided tax relief intended for economic stimulus, including business investment tax incentives from “bonus depreciation” of equipment and soft-

ware. JCT estimates show the business investment tax incentives totaling more than \$100 billion over 2002–04.

- The *Jobs and Growth Tax Relief Reconciliation Act of 2003 [JGTRRA]* (May 2003) accelerated the scheduled income tax relief and tax rate reductions of the 2001 legislation, increased the “bonus depreciation” business investment tax incentives, and reduced dividend and capital gains tax rates. JCT estimates showed the tax relief totaling \$185 billion over fiscal years 2003–04.

Altogether, the JCT estimates show that the combined tax relief over the 2001–04 period amounted to nearly \$600 billion—or about 6 percent of gross domestic product spread over the 4 fiscal years, with a concentration in fiscal years 2003 and 2004.

Monetary policy also played an important role in bolstering the economy. From January 2001 through June 2003, the Federal Reserve reduced the Federal funds rate—the key monetary policy interest rate—from 6½ percent to 1 percent in 13 separate cuts. Lower interest rates helped to boost interest-sensitive spending, including consumer durable goods, business equipment investment, and residential housing construction.

THE CURRENT ECONOMIC SITUATION

The vast array of data and evidence point to the U.S. economy being in a sustained expansion, with solid real growth, ongoing payroll jobs gains, and low unemployment and inflation

The list of “Good News” confirming the economy’s solid performance is impressive, including:

- Real GDP grew 4.4 percent in 2004—the strongest annual performance in 5 years and one of the strongest growth performances of the past 20 years. Private Blue Chip forecasters expect solid real GDP growth to continue—at about a 3.6 percent rate in 2005 and in the range of 3 percent to 3½ percent over the next 5 years.
- Payroll employment rose by 2.2 million jobs during 2004 and has increased for 21 straight months, increasing by over 3.0 million jobs since May 2003. Private forecasters expect jobs gains averaging nearly 200,000 per month during 2005, or about an additional 2 million through the end of the year. Payroll employment has now more than regained the jobs lost during the slowdown and recession of 2000–01.
- Total employment as measured by the household survey—which includes self-employed individuals and others not captured by the establishment payroll jobs numbers—continues at record high levels in excess of 140 million in recent months.
- The unemployment rate is down to 5.4 percent in February from 6.3 percent in June of 2003. At 5.4 percent, the unemployment rate is lower than the decade averages for the 1970s (6.2 percent), the 1980s (7.3 percent), and the 1990s (5.8 percent).
- New claims for unemployment insurance have been running at just over 300,000—the lowest levels in more than 4 years, and a sign of likely ongoing solid growth in employment. Claims have been below the 400,000 level for nearly a year and a half. (Claims below 400,000 indicate continued improvement in labor markets.)

- Manufacturing activity soared from mid-2003 through 2004—the strongest continued pace of manufacturing activity in 20 years (Institute for Supply Management PMI index).
- Industrial production—the output of the Nation’s factories, mines and utilities—is up 6½ percent over the past year and a half. Manufacturing industrial production is up 7½ percent over that period—the best sustained performance in more than 4 years.
- Real business equipment investment has increased at a 15-percent annual rate over the past year and a half—the best performance in 7 years.
- Housing starts and building permits have been running at their highest levels in 20 years—at a pace of about 2 million new housing units per year.
- The homeownership rate is at a record high level—reaching 69.2 percent at the end of 2004.

THE ROLE OF BUDGET RESOLUTION POLICIES

One of the guiding principles of the budget policies is that The Nation’s economy must continue to grow and to create jobs to serve as a solid foundation for reducing the budget deficit. Economic growth alone may not be able to eliminate the deficit—but without solid economic growth, efforts to reduce budget deficits will be futile.

One of the fundamental ways that this budget encourages that growth is by supporting the policies that have been working to boost the economy. The resolution provides for continuing the provisions of tax law enacted in 2001 and 2003, and keeps the tax burden from rising.

In addition, it is of critical importance to control Federal spending. All spending must get paid for, either through taxes or borrowing—and both are burdens on the economy. For that simple reason alone, controlling spending is itself a policy for sustaining stronger economic growth.

Reinforcing this view, Federal Reserve Chairman Greenspan recently stated that: “Addressing the government’s own imbalances will require scrutiny of both spending and taxes. However, tax increases of sufficient dimension to deal with the looming fiscal problems arguably pose significant risks to economic growth and the revenue base. The exact magnitude of such risks is very difficult to estimate, but, in my judgment, they are sufficiently worrisome to warrant aiming, if at all possible, to close the fiscal gap primarily, if not wholly, from the outlay side.”

The underlying policies of the budget resolution—including sustained tax relief, restrained spending growth, declining deficits, and a stable or falling debt-to-GDP ratio—represent a favorable set of policies for the performance of the economy.

Of particular note, the projected decline in the unified deficit under budget resolution policies to less than 2 percent of GDP—and the projection for a declining public debt as a share of GDP—are typical benchmarks for fiscal policies being viewed as sustainable over time, and without significant adverse effects on the economy.

As examples of these views, consider recent statements by Chairman Greenspan:

- “My general view is that, over the long run, it is essential to run a fiscal policy which is stable, meaning effectively that the level of debt to the public as a ratio to GDP tends to be relatively flat.”
- [O]ne standard is, if the unified budget deficit is 2 percent of GDP or less, it stabilizes the ratio of debt to GDP. So, if you are looking at a straightforward numerical type, that’s not a bad one.”

THE ECONOMIC OUTLOOK

The economic projections from the administration, the Congressional Budget Office [CBO], and private forecasters reveal the consensus outlook for continued solid growth in the economy over the 2005–2010 projection period for the budget resolution (see Table 1.).

- The various forecasts show projections for solid real GDP growth in 2005 in the range of 3.6 percent to 3.8 percent: 3.8 percent for the CBO, and 3.6 percent for the private Blue Chip consensus and for the Administration.
- Relatively strong growth is expected to continue beyond 2005 for the 2006–2010 period, with CBO projecting real GDP growth to average about 3.4 percent per year, and the administration and Blue Chip at 3.2 percent.
- Reflecting the stronger growth in the economy, the unemployment rate is projected to continue throughout the forecast in the 5.1 to 5.3 percent range—a relatively low level by historical comparison.
- Inflation and interest rates are projected to rise gradually over the next several years, yet still ultimately remain at relatively low historical levels for an expanding economy. By 2010, the 3-month Treasury bill rate is projected to rise to the 4.2 to 4.6 percent range; the 10-year Treasury note yield is projected to rise to the 5.5 to 5.7 percent range.

CBO’s annual economic assumptions were adopted for use in the budget resolution and are shown in Table 2.

TABLE 1.—ECONOMIC PROJECTIONS: ADMINISTRATION, CBO, AND PRIVATE FORECASTERS
[Calendar years]

	2005	2006	2007	2008	2009	2010	2006–2010
Real GDP (percent change, year over year):							
Administration	3.6	3.5	3.3	3.2	3.1	3.1	3.2
CBO	3.8	3.7	3.7	3.4	3.1	2.9	3.4
Blue Chip, February*	3.6	3.4	3.2	3.2	3.1	3.3	3.2
GDP Price Index (percent change, year over year):							
Administration	1.9	2.0	2.1	2.1	2.1	2.1	2.1
CBO	1.8	1.5	1.7	1.8	1.8	1.8	1.7
Blue Chip, February*	2.0	2.0	2.1	2.1	2.1	2.1	2.1
Consumer Price Index (percent change, year over year):							
Administration	2.4	2.3	2.4	2.4	2.4	2.4	2.4
CBO	2.4	1.9	2.1	2.2	2.2	2.2	2.1
Blue Chip, February*	2.5	2.3	2.4	2.4	2.4	2.4	2.4
Unemployment Rate (percent, annual average):							
Administration	5.3	5.1	5.1	5.1	5.1	5.1	5.1
CBO	5.2	5.2	5.2	5.2	5.2	5.2	5.2
Blue Chip, February*	5.3	5.2	5.1	5.1	5.1	5.1	5.1
3-Month Treasury Bill Rate (percent, annual average):							
Administration	2.7	3.5	3.8	4.0	4.1	4.2	3.9
CBO	2.8	4.0	4.6	4.6	4.6	4.6	4.5
Blue Chip, February*	3.0	3.9	4.1	4.3	4.2	4.2	4.1
10-Year Treasury Note Yield (percent, annual average):							
Administration	4.6	5.2	5.4	5.5	5.6	5.7	5.5
CBO	4.8	5.4	5.5	5.5	5.5	5.5	5.5
Blue Chip, February*	4.7	5.3	5.6	5.6	5.6	5.6	5.5

Sources: OMB, CBO, Blue Chip Economic Indicators (February 2005 and October 2004).

*Blue Chip projection for 2005 and 2006 from February; for 2007–2010, from October.

TABLE 2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION
 [Calendar years, 2005–2010]

	2005	2006	2007	2008	2009	2010
Real GDP (percent change, year over year)	3.8	3.7	3.7	3.4	3.1	2.9
GDP Price Index (percent change, year over year)	1.8	1.5	1.7	1.8	1.8	1.8
Consumer Price Index (percent change, year over year)	2.4	1.9	2.1	2.2	2.2	2.2
Unemployment Rate (percent, annual average)	5.2	5.2	5.2	5.2	5.2	5.2
3-Month Treasury Bill Rate (percent, annual average)	2.8	4.0	4.6	4.6	4.6	4.6
10-Year Treasury Note Yield (percent, annual average)	4.8	5.4	5.5	5.5	5.5	5.5
Note: Nominal GDP (\$ Billions, annual average)	12,396	13,059	13,766	14,486	15,210	15,940

Revenue

Summary

The component of the budget resolution designated as revenue reflects all of the Federal Government's various tax receipts that are classified as "on budget." This includes individual income taxes; corporate income taxes; excise taxes, such as the gasoline tax; and other taxes, such as estate and gift taxes. The component of social insurance taxes that is collected for the Social Security system—the Old Age and Survivors and Disability Insurance [OASDI] payroll tax—is "off budget." The remaining social insurance taxes (the Hospital Insurance [HI] payroll tax portion of Medicare, the Federal Unemployment Tax Act [FUTA] payroll tax, railroad retirement and other retirement systems) are all on budget. Customs duties, tariffs, and other miscellaneous receipts also are included in the revenue function. Pursuant to the Congressional Budget Act of 1974 and the Budget Enforcement Act of 1990, Social Security payroll taxes, which constitute slightly more than a quarter of all Federal receipts, are not included in the budget resolution.

Revenue Over Time

Total Federal revenue has averaged about 18 percent of gross domestic product [GDP] over the past 50 years. Even though the intent is that there will be no statutory tax increases under this budget, total Federal revenue is projected to rise from 16.8 percent of GDP in fiscal year 2005 to 17.7 percent of GDP in 2010—a return to roughly the historical average level. The increase in taxes relative to GDP occurs because of the improving economy as well as the natural tendency for taxes to increase over time because of provisions in the tax code that are not indexed fully for inflation and real, inflation-adjusted, income growth. That intrinsic tendency for taxes to increase relative to the size of the economy under the current tax code highlights the need to regularly adjust tax policies to avoid an ever-increasing tax burden in our economy.

Summary of Committee-Reported Resolution

The budget resolution calls for \$1.590 trillion in on-budget revenue for fiscal year 2006, and \$9.080 trillion over 2006–10. Total revenue in the budget resolution is \$2.195 trillion for fiscal year 2006 and \$12.441 trillion over 2006–10. The resolution assumes policies with a revenue impact of \$16.623 billion for fiscal year 2006 and \$105.715 billion over 2006–10. These effects are principally the result of preventing automatic tax increases that otherwise would occur.

Although the budget resolution does not define specific changes in tax policy, the revenue levels established in the resolution can accommodate the continuation of existing tax law. In particular, those levels can accommodate the following:

- *No tax increase resulting from the individual alternative minimum tax.* The resolution could accommodate an extension of the current individual AMT exemption amounts of \$58,000 for joint filers and \$40,250 for single filers. It anticipates that Congress could act to prevent a reduction in the exemptions, to \$45,000 for joint filers and \$33,750 for single filers, scheduled to occur in 2006. In other words, the budget resolution could accommodate changes to prevent tax increases on families of up to \$3,380 that otherwise could occur. The budget resolution also accommodates changes to prevent families from losing their ability to use non-refundable tax credits against AMT liability.
- *No tax increase resulting from the loss of the state sales tax deduction.* The resolution could accommodate an extension of the deduction for state sales taxes, enacted as part of the American Jobs Creation Act of 2004 (Public Law 108-357) and scheduled to expire December 31, 2005 under current law.
- *No increase on the tax burden imposed on research and development.* The resolution could accommodate an extension of the research and experimentation tax credit, which enables innovators and entrepreneurs to engage in the research necessary to develop new technologies that lead to economic growth.

The revenue levels in the resolution also could accommodate packages of energy tax incentives and charitable contribution incentives.

The budget resolution sets the on-budget revenue level of the Federal Government for the next 6 years but it is the responsibility of the Committee on Ways and Means to make the specific adjustments in law to implement these levels.

RECONCILIATION

Through the reconciliation instructions of the budget resolution, the Committee on Ways and Means is directed to report legislation to the House floor by June 24, 2005, making adjustments in current law to prevent tax increases of \$16.623 billion in fiscal year 2006 and \$45.000 billion for fiscal years 2006-10.

Function-by-Function Presentation

The following presentation shows the resolution's recommended distribution of budget authority and outlays according to broad categories called "budget functions." This is the conventional framework of the resolution, also employed in the legislative text.

But the distribution of spending amounts in the functions is derived, however, from a broader perspective on budgetary and fiscal policy. It might be summarized as follows (figures are based on the re-estimate, by the Congressional Budget Office [CBO], of the President's budget submission, and CBO's March baseline):

DISCRETIONARY SPENDING

The fiscal year 2006 discretionary amount—reflecting spending subject to annual appropriations—increases by 2.1 percent. It is built from the following considerations:

- An increase of approximately 4.8 percent for national defense, supporting the President's request.
- An increase of 2.3 percent in homeland security appropriations, which range over multiple functions.
- A 0.8-percent reduction in the aggregate for other programs in fiscal year 2006.

The functional distributions also are generally the same as the President's recommendations, with a few adjustments to accommodate congressional priorities. (These adjustments are described in the respective functional discussions.) Based on this overall framework, total discretionary spending translates into a single allocation (known as "302a") to the Committee on Appropriations, and that committee will allocate portions of that amount to the respective subcommittees (in "302b" suballocations). The outyear figures do not reflect specific policy assumptions. Rather, they show the approximate effect of a freeze on non-defense, non-homeland-security spending, as recommended in the President's request.)

MANDATORY SPENDING

The budget recognizes the significance and rapid growth of mandatory spending—spending not subject to annual appropriations—which now consumes about 55 percent of total Federal spending (excluding interest). Total mandatory spending (including interest) is expected to grow at a rate of about 6.4 percent per year. At its current rate, net non-interest mandatory spending will consume 61 percent of total spending in just 10 years—increasingly crowding out other priorities. Spending control depends on controlling the rate of mandatory spending growth. Therefore, to slow the growth of total mandatory spending—to about 6.3 percent per year—the budget includes directives to nine authorizing committees trans-

lating to approximately \$68.6 billion in savings over the next 5 years. These savings are displayed in Function 920. They reflect the amounts of net mandatory savings expected to be achieved, subject to the specific programmatic decisions to come from the authorizing committees. This approach is designed to allow wide discretion to the authorizing committees in achieving the savings amounts identified. That is, the committees are free to legislate savings provisions in any of the mandatory programs in their jurisdictions, so long as they reach their respective reconciliation targets. Nothing in the reconciliation directives or the functional levels constrains the policy choices the committees make. The mandatory spending amounts in the other functions are the CBO baseline levels, except for Function 900, which contains the debt service cost of the combined policy of the resolution.

The budget functions presented here are as follows:

- National Defense (Function 050)
- International Affairs (Function 150)
- General Science, Space, and Technology (Function 250)
- Energy (Function 270)
- Natural Resources and Environment (Function 300)
- Agriculture (Function 350)
- Commerce and Housing Credit (Function 370)
- Transportation (Function 400)
- Community and Regional Development (Function 450)
- Education, Training, Employment, and Social Services (Function 500)
- Health (Function 550)
- Medicare (Function 570)
- Income Security (Function 600)
- Social Security (Function 650)
- Veterans Benefits and Services (Function 700)
- Administration of Justice (Function 750)
- General Government (Function 800)
- Net Interest (Function 900)
- Allowances (Function 920)
- Undistributed Offsetting Receipts (Function 950)

FUNCTION 050: NATIONAL DEFENSE

Function Summary

The National Defense function includes funds to develop, maintain, and equip the military forces of the United States. More than 95 percent of the funding in this function goes to Department of Defense [DOD] military activities; the remaining funding in the function applies to atomic energy defense activities of the Department of Energy, and other defense-related activities.

For the 5-year period 2001–05, budget authority in this function increased at an average annual rate of 10.5 percent, to \$500.6 billion. During the same time period, outlays rose from \$294.5 billion to \$497.2 billion, an 11-percent average annual growth rate (these figures include the effects of supplemental spending including the expected 2005 supplemental). The largest component of this was the budget of the Department of Defense, whose budget authority grew from \$290.4 billion in 2000 to \$480 billion in 2005. The average annual growth rate for the 5-year period 2001–2005 is 10.6 percent (these figures include the effects of supplemental spending including the expected 2005 supplemental).

Summary of Committee-Reported Resolution

The resolution calls for \$441.6 billion in budget authority and \$475.6 billion in outlays in fiscal year 2006. Discretionary spending is \$439 billion in budget authority and \$473 billion in outlays in fiscal year 2006. Mandatory spending in 2006 is \$2.6 billion in budget authority and \$2.6 billion in outlays. The five year totals for budget authority and outlays are \$13.6 billion and \$13.7 billion respectively. The outlay figures include the 2005 expected supplemental.

MANDATORY SPENDING

Function 050 contains numerous small mandatory accounts such as stock funds, trust funds, and gift funds whose receipts vary from year to year. There are no mandatory assumptions with respect to the Committee on Armed Services.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

Elsewhere (in Function 920) the resolution includes \$50 billion for fiscal year 2006 in anticipation of additional needs in Afghanistan, Iraq, and the global war on terrorism. (In addition, the resolution adjusts fiscal year 2005 levels, which accommodate \$81.1 billion in supplemental funding for these activities in the current year.) This is a mid-range estimate for anticipated annual costs. It is not an attempt to predetermine the scope or intensity of operations, troops levels, or which weapons and supplies DOD will need, but rather an effort to make the budget reflect a likely future outlay.

FUNCTION 150: INTERNATIONAL AFFAIRS

Function Summary

This function includes international development and humanitarian assistance; international security assistance; the conduct of foreign affairs; foreign information and exchange activities; and international financial programs. The major agencies in this function include the Department of Agriculture, the Department of State, the Department of the Treasury, the United States Agency for International Development, and the Millennium Challenge Corporation.

International Affairs budget authority rose at an annual average rate of 7.2 percent for the 5-year period 2001–05, to \$32.1 billion. During the same time period, outlays rose from \$17.2 billion to \$32.2 billion, a 13.3-percent average annual growth rate. The largest component of this was the budget of the Department of State, whose budget authority grew at an average of 7.5 percent per year, to \$11.9 billion in 2005.

Summary of Committee-Reported Resolution

The resolution calls for \$31.7 billion in BA and \$35.2 billion in outlays in fiscal year 2006. The function totals are \$171.9 billion in BA and \$164.6 billion in outlays over 5 years. Mandatory spending is –\$0.5 billion in BA and –\$2.8 billion in outlays in fiscal year 2006, and totals \$2.9 billion in BA and –\$13.1 billion in outlays over 5 years. Discretionary spending is \$32.2 billion in BA and \$37.9 billion in outlays in fiscal year 2006.

The negative budget authority and outlay levels in mandatory spending reflect receipts of the foreign military sales trust fund, the repayment of loans and credits to foreign nations, and the liquidation of economic assistance loans, foreign military financing loans, Export-Import Bank loans, and housing and other credit guaranty programs.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the Committee on International Relations, the Committee on Agriculture, the Committee on Financial Services, and the Committee on the Judiciary. The mandatory figures are CBO baseline levels.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustments: the starting level was reduced by \$1.2 billion; and a further reduction was made with the adoption of the Bradley amendment, which shifted \$229 million in fiscal year 2006 and \$1.15 billion over 5 years to function 700 to provide for an increase in the Department of Veterans Affairs' medical care funding. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 250: GENERAL SCIENCE, SPACE AND TECHNOLOGY**Function Summary**

The largest component of this function—about two-thirds of total spending—is for the space flight, research, and supporting activities of the National Aeronautics and Space Administration [NASA]. The function also contains general science funding, including the budgets for the National Science Foundation [NSF], and the fundamental science programs of the Department of Energy [DOE].

For the 5-year period 2001–05, budget authority in this function rose an average of 4.8 percent per year, to \$24.4 billion. During the same period, outlays rose from \$18.6 billion to \$23.6 billion, a 4.9-percent average annual growth rate.

Summary of Committee-Reported Resolution

The resolution calls for \$24.7 billion in budget authority and \$23.9 billion in outlays in fiscal year 2006. The function totals are \$127.5 billion in budget authority and \$124.2 billion in outlays over 5 years. Mandatory spending is \$130 million in budget authority and \$79 million in outlays in fiscal year 2005, and totals \$601 million in budget authority and \$462 million in outlays over 5 years. Discretionary spending is \$24.6 billion in BA and \$23.8 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

There are no mandatory assumptions in this function.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

Within Function 250, the Budget Committee assumes full funding of the President's request for NASA.

FUNCTION 270: ENERGY

Function Summary

This function includes civilian energy and environmental programs of the Department of Energy [DOE] (it does not include DOE's national security activities—the National Nuclear Security Administration—which are in Function 050, or its basic research and science activities, which are in Function 250). Function 270 also includes the Rural Utilities Service of the Department of Agriculture, the Tennessee Valley Authority [TVA], the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission.

Budget authority in this function reached \$2.6 billion in 2005 with outlays of \$794 million. Receipts, repayments, and electricity sales (negative spending) result in sharp year-by-year fluctuations in this function's budget authority and outlays.

Summary of Committee-Reported Resolution

The resolution calls for \$3.1 billion in budget authority and \$2.0 billion in outlays in fiscal year 2006. The function totals are \$11.8 billion in budget authority and \$5 billion in outlays over 5 years. Mandatory spending is $-\$1.4$ billion in budget authority and $-\$2.7$ billion in outlays in fiscal year 2006. Over the 2006–10 period, mandatory spending is $-\$7.9$ billion in budget authority and $-\$15.4$ billion in outlays. The negative figures result from increasing offsetting receipts from various loan repayments and liquidations, electricity sales, and fees—which appears as negative spending. Discretionary spending is \$4.5 billion in budget authority and \$4.7 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the Committee on Energy and Commerce, and the Committee on Resources. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

The resolution could accommodate a comprehensive energy bill. This is reflected in the allocation to the Committee on Energy and Commerce. The authorizing committee is free to determine its own policies within the allocation limits.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

Function Summary

The Natural Resources and Environment function consists of water resources, conservation, land management, pollution control and abatement, and recreational resources. Major departments and agencies in this function are the Department of Interior, including the National Park Service [NPS], the Bureau of Land Management [BLM], the Bureau of Reclamation, and the Fish and Wildlife Service [FWS]; conservation-oriented and land management agencies within the Department of Agriculture [USDA] including 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 [EPA].

Budget authority in this function for the 5-year period 2001–05 rose an average of 5.4 percent per year, to \$32.5 billion. During the same period, outlays increased at a 4.5-percent rate, to \$31.2 billion.

Summary of Committee-Reported Resolution

The resolution calls for \$30.5 billion in budget authority and \$32.3 billion in outlays in fiscal year 2006. The function totals are \$155.3 billion in budget authority and \$161.6 billion in outlays over 5 years. Mandatory spending is \$2.0 billion in budget authority and \$1.7 billion in outlays in fiscal year 2006. Over the 2006–10 period, mandatory spending totals \$13.5 billion in budget authority and \$14.3 billion in outlays. Discretionary spending is \$28.5 billion in budget authority and \$30.6 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The Committee on Resources has jurisdiction over the majority of mandatory programs in this function. The Committees on Agriculture, Transportation and Infrastructure, and Energy and Commerce also have jurisdiction. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by polices developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was increased to accommodate \$500 million in additional budget authority. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 350: AGRICULTURE**Function Summary**

The Agriculture function includes funds for direct assistance and loans to food and fiber producers, export assistance, market information, inspection services, and agricultural research. Farm policy is driven by the Farm Security and Rural Investment Act of 2002, which provides producers with continued planting flexibility while protecting them against unique uncertainties such as poor weather conditions and unfavorable market conditions.

Homeland security spending in this function includes funding for the Department of Agriculture and the Department of Homeland Security (including the Agriculture and Plant Health Inspection Service).

Budget authority and outlays in this function have declined in past 5 years, principally due to more favorable overall commodity prices in 2005 than in 2000. Commodity prices often fluctuate from year to year. This has a significant impact on mandatory programs, which account for the vast majority of spending within Function 350.

Summary of Committee-Reported Resolution

The resolution calls for \$29.5 billion in budget authority and \$28.5 billion in outlays in fiscal year 2006. The function totals are \$133.1 billion in budget authority and \$128.3 billion in outlays over 5 years. Mandatory spending is \$24.1 billion in budget authority and \$22.7 billion in outlays in fiscal year 2006. Over the 2006–10 period, mandatory spending totals \$104.7 billion in budget authority and \$99.7 billion in outlays. Discretionary spending is \$5.4 billion in budget authority and \$5.8 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The Agriculture Committee has sole jurisdiction over programs in this function. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by the policies developed by the Agriculture Committee.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

Function Summary

The Commerce and Housing Credit function includes four components: mortgage credit (usually negative budget authority because receipts tend to exceed the losses from defaulted mortgages); the Postal Service (mostly off budget); deposit insurance (negligible spending due to reserve supporting fees, etc.); and other advancement of commerce (the majority of the discretionary and mandatory spending in this function).

The mortgage credit component of this function includes housing assistance through the Federal Housing Administration [FHA], the Federal National Mortgage Association [Fannie Mae], the Federal Home Loan Mortgage Corporation [Freddie Mac], the Government National Mortgage Association [Ginnie Mae], and rural housing programs of the Department of Agriculture. The function also includes net postal service spending and spending for deposit insurance activities of banks, thrifts, and credit unions. Finally, most, but not all, of the Commerce Department is provided for in this function, including the International Trade Administration, Bureau of Economic Analysis, Patent and Trademark Office [PTO], National Institute of Standards and Technology, National Telecommunications and Information Administration, and the Bureau of the Census; as well as independent agencies such as the Securities and Exchange Commission [SEC], the Commodity Futures Trading Commission, the Federal Trade Commission, the Federal Communications Commission [FCC], and the majority of the Small Business Administration [SBA].

More than two-thirds of the spending in function 370 is out of the FCC's Universal Service Fund. This fund collects receipts raised by certain telecommunications operators from charges on their consumers and customers to promote service to low-income users and high-cost areas, as well as new services.

For the 5-year period 2001–05, on-budget budget authority in this function rose an average of 7.5 percent per year, reaching \$16.8 billion in 2005. In the same period, outlays rose 57.2 percent per year, to \$11.3 billion.

Summary of Committee-Reported Resolution

For on-budget amounts, the resolution calls for \$10.8 billion in budget authority and \$5.6 billion in outlays in fiscal year 2006. The function totals are \$56.1 billion in budget authority and \$24.9 billion in outlays over 5 years. Mandatory spending is \$9.9 billion in budget authority and \$4.5 billion in outlays in fiscal year 2006, and totals \$46.5 billion in budget authority and \$16.0 billion in outlays over 5 years. Discretionary spending is \$0.9 billion in budget authority and \$1.1 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The Committees on Financial Services, Energy and Commerce, and Small Business have principal jurisdiction over on-budget programs in this area. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation di-

rectives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the authorizing committees.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 400: TRANSPORTATION

Function Summary

The Transportation function includes ground, air, water and other transportation funding. The major agencies and programs in this function include the Department of Transportation (including the Federal Aviation Administration; the Federal Highway Administration; the Federal Transit Administration; highway, motor carrier, rail and pipeline safety programs; and the Maritime Administration), the aeronautical activities of the National Aeronautics and Space Administration [NASA], and the National Railroad Passenger Corporation [Amtrak].

Homeland security spending in this function includes funding for the Department of Homeland Security (including the Federal Air Marshals, the Transportation Security Administration and the U.S. Coast Guard) and the Department of Transportation.

Budget authority rose an average of 5.5 percent per year for the 5-year period 2001–05, to \$72.5 billion. During the same time period, outlays rose to \$67.7 billion, at a 7.6-percent average annual growth rate. The largest component of this was the Department of Transportation; the committee's budget authority grew an average of 4.1 percent per year, to \$61.1 billion in 2005.

Summary of Committee-Reported Resolution

The resolution calls for \$70.0 billion in budget authority and \$70.4 billion in outlays in fiscal year 2006. The function totals are \$353.8 billion in budget authority and \$369.8 billion in outlays over 5 years. Mandatory spending is \$48.4 billion in budget authority and \$2.2 billion in outlays in fiscal year 2006, and totals \$242.2 billion in budget authority and \$10.9 billion in outlays over 5 years. Discretionary spending is \$21.6 billion in budget authority and \$68.2 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the Committee on Transportation and Infrastructure, the Committee on Homeland Security, and the Committee on Resources. The mandatory figures are CBO baseline levels adjusted to accommodate the anticipated reauthorization of TEA–21. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

The resolution establishes a reserve fund that allows the Chairman of the Committee on the Budget to adjust the allocation of budget authority to the Committee on Transportation and Infrastructure for any measure that reauthorizes surface transportation programs and provides new budget authority for highway and transit spending. The adjustment may only be made if it is offset by changes in law, either included in same measure or by previously enacted legislation. The language in the resolution regarding this contingency measure is identical to that included in the budget resolution for fiscal years 2004 and 2005.

The Committee on Transportation and Infrastructure has programs that spend out of the Highway Trust Fund, in which budget authority is defined as mandatory. The resulting outlays, however, are characterized as discretionary, and are scored against the Appropriations Committee. That committee constrains the outlays through appropriations act language known as “obligation limitations.”

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President’s recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was increased to accommodate for continued funding of passenger rail services. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

**FUNCTION 450: COMMUNITY AND REGIONAL
DEVELOPMENT****Function Summary**

The Community and Regional Development function includes programs that provide Federal funding for economic and community development in both urban and rural areas, including: Community Development Block Grants [CDBGs]; the non-power activities of the Tennessee Valley Authority; the non-roads activities of the Appalachian Regional Commission; the Economic Development Administration [EDA]; and partial funding for the Bureau of Indian Affairs.

Homeland Security spending in this function includes the State and Local Government grant programs of the Department of Homeland Security.

During the 5-year period 2001–05, budget authority in this function rose an average of 15.3 percent per year, to \$23.0 billion. Outlays rose at a rate of 14.4 percent per year, to \$20.8 billion. A factor in this growth was Federal Emergency Management Agency [FEMA] funding for first responders, and one-time New York City recovery funds in the wake of the events of 9–11.

Summary of Committee-Reported Resolution

The resolution calls for \$14.2 billion in budget authority and \$18.5 billion in outlays in fiscal year 2006. The function totals are \$71.5 billion in budget authority and \$80.2 billion in outlays over 5 years. Mandatory spending is \$0.5 billion in budget authority and –\$0.2 billion in outlays in fiscal year 2006, and totals \$0.8 billion in budget authority and –\$0.8 billion in outlays over 5 years. The negative figures reflect receipts to revolving loan funds. Discretionary spending is \$13.7 billion in budget authority and \$18.7 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The resolution assumes no changes to mandatory spending programs in the function.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was increased \$1.1 billion to accommodate higher appropriations for programs such as the Community Development Block Grant. The resolution makes no assumption regarding implementation of the President's proposed Strengthening America's Communities Block Grant or transferring the Community Development Block Grant program from the Department of Housing and Urban Development to the Department of Commerce. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

**FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT,
AND SOCIAL SERVICES****Function Summary**

The function titled Education, Training, Employment, and Social Services primarily covers Federal spending within the Departments of Education, Labor, and Health and Human Services for programs that directly provide—or assist States and localities in providing—services to young people and adults. Its activities provide developmental services to low-income children; support programs for disadvantaged and other elementary and secondary school students; make grants and loans to post secondary students; and maintain job-training and employment services.

For the 5-year period 2001–05, budget authority in this function rose an average of 13.7 percent per year, reaching \$94.0 billion in 2005. During the same period, outlays rose 11.5 percent per year, to \$92.8 billion.

Summary of Committee-Reported Resolution

The resolution calls for \$92.0 billion in budget authority and \$91.0 billion in outlays in fiscal year 2006. The function totals are \$451.7 billion in budget authority and \$446.7 billion in outlays over 5 years. Mandatory spending is \$13.9 billion in budget authority and \$11.5 billion in outlays in fiscal year 2006, and totals \$71.7 billion in budget authority and \$62.4 billion in outlays over 5 years. Discretionary spending is \$78.1 billion in budget authority and \$79.5 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committee with jurisdiction over programs in this function is the Committee on Education and the Workforce. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 550: HEALTH

Function Summary

This function consists of health care services, including Medicaid, the Nation's major program covering medical and long-term care costs for low-income persons; the State Children's Health Insurance Program [SCHIP], health research and training, including the National Institutes of Health [NIH] and substance abuse prevention and treatment; and consumer and occupational health and safety, including the Occupational Safety and Health Administration. Medicaid represents 71 percent of the spending in this function.

Homeland security activities and agencies in this category include Project Bioshield, the National Institutes of Health, the National Institute of Allergy and Infectious Diseases, the Food Safety and Inspection Service, and the Food and Drug Administration.

For the 5-year period 2001–05, budget authority in this function rose an average of 9.8 percent per year, to \$257.5 billion in 2005. Outlays in the same period increased at an average 10.3-percent rate, to \$252.8 billion. The largest component of this growth was Medicaid, whose Federal payments grew an average of 9.8 percent per year, to \$183.2 billion.

Summary of Committee-Reported Resolution

The resolution calls for \$262.2 billion in BA and \$262.5 billion in outlays in fiscal year 2006. The function totals are \$1,486.0 billion in BA and \$1,480.3 billion in outlays over 5 years. Mandatory spending is \$211.2 billion in BA and \$210.8 billion in outlays in fiscal year 2006, and totals \$1,231.2 billion in BA and \$1,225.7 billion in outlays over 5 years. Discretionary spending is \$50.9 billion in BA and \$51.7 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The Committee on Energy and Commerce has jurisdiction over programs in this function. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 570: MEDICARE

Function Summary

This budget function reflects the Medicare Part A Hospital Insurance [HI] Program, Part B Supplementary Medical Insurance [SMI] Program, Part C Medicare Advantage Program, and Part D Prescription Drug Benefit, as well as premiums paid by qualified aged and disabled beneficiaries. On 8 December 2003, Congress and the President enacted the Medicare Prescription Drug, Improvement, and Modernization Act [MMA]. MMA changed Medicare Part C from the Medicare+Choice Program to the Medicare Advantage Program and added the Part D Prescription Drug Benefit to the Medicare Program.

Function 570 budget authority rose from \$217.1 billion in 2001 to \$292.6 billion in 2005; the average annual growth for the 5-year period 2001–05 is 7.8 percent. During the same time period, outlays rose from \$217.4 billion to \$293.6 billion, a 8.3-percent average annual growth rate. This function consists entirely of the Medicare program.

Summary of Committee-Reported Resolution

The resolution calls for \$331.2 billion in budget authority and \$330.9 billion in outlays in fiscal year 2006. The function totals are \$1,966.7 billion in budget authority and \$1,966.7 billion in outlays over 5 years. Mandatory spending is \$326.1 billion in budget authority and \$326.1 billion in outlays in fiscal year 2006, and totals \$1,941.8 billion in budget authority and \$1,942.0 billion in outlays over 5 years. Discretionary spending is \$5.1 billion in budget authority and \$4.9 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the committees on Energy and Commerce and Ways and Means. The mandatory figures are the CBO baseline levels.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office.

FUNCTION 600: INCOME SECURITY

Function Summary

The Income Security function includes most of the Federal Government's income support programs. These include: 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, including section 8 housing; food and nutrition assistance, including food stamps and school lunch subsidies; 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]; spending for the refundable portion of the Earned Income Credit [EIC]; and the Low Income Home Energy Assistance Program [LIHEAP]. Agencies involved in these programs include the Departments of Agriculture, Health and Human Services, Housing and Urban Development, the Social Security Administration (for SSI), and the Office of Personnel Management (for Federal retirement benefits).

This function's budget authority rose an average of 6.3 percent per year for the 5-year period 2001–05, to \$339.1 billion. Outlays rose an average of 6.5 percent per year in the same period, to \$347.8 billion in 2005.

Summary of Committee-Reported Resolution

The resolution calls for \$347.2 billion in budget authority and \$354.1 billion in outlays in fiscal year 2006. The function totals are \$1,823.1 billion in budget authority and \$1,850.0 billion in outlays over 5 years. Mandatory spending is \$300.1 billion in budget authority and \$299.9 billion in outlays in fiscal year 2006, and totals \$1,591.7 billion in budget authority and \$1,590.4 billion in outlays over 5 years. Discretionary spending is \$47.1 billion in budget authority and \$54.2 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

Although several committees have jurisdiction over programs in this function, those with major programs are: Ways and Means, Agriculture, Education and the Workforce, Government Reform, and Armed Services. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was reduced by \$0.1 billion to accommodate increased funding for community and regional development programs in Function

450. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 650: SOCIAL SECURITY**Function Summary**

This function consists of the Social Security Program, or Old Age, Survivors, and Disability Insurance [OASDI]. It is the largest budget function in terms of outlays, and provides funds for the Government's largest entitlement program. Under provisions of the Congressional Budget Act and the Budget Enforcement Act, Social Security trust funds are considered to be off budget. But a small portion of spending within Function 650—including general fund transfers of taxes paid on Social Security benefits—is on budget. The presentations below, therefore, refer to only the on-budget portion of Function 650.

Function 650 on-budget budget authority rose from \$11.7 billion in 2001 to \$15.8 billion in 2005; the average annual growth for the 5-year period 2001–05 is 3.6 percent. During the same time period, outlays rose from \$11.7 billion to \$15.8 billion, a 3.6-percent average annual growth rate. This function consists entirely of the Social Security program.

Summary of Committee-Reported Resolution

The resolution calls for \$15.9 billion in on-budget budget authority and \$15.9 billion in outlays in fiscal year 2006. The function totals are \$99.1 billion in budget authority and \$99.1 billion in outlays over 5 years. Mandatory spending is \$15.9 billion in budget authority and \$15.9 billion in outlays in fiscal year 2006, and totals \$99.1 billion in on-budget budget authority outlays over 5 years. There is no on-budget discretionary spending in this function.

MANDATORY SPENDING

There are no mandatory assumptions within this function.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 700: VETERANS BENEFITS AND SERVICES**Function Summary**

This function includes 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, principally disability compensation and pensions; veterans education, training, and rehabilitation services; hospital and medical care for veterans; and other veterans' benefits and services, such as home loan guarantees. There are about 24.8 million veterans.

Budget authority in this function grew at an average of 8.8 percent per year for the 5-year period 2001–05, reaching \$69.4 billion. Outlays in the same period rose 7.9 percent per year, to \$68.9 billion in 2005. The largest component of this was veterans medical care, whose budget authority grew an average of 9.7 percent per year, to \$30.0 billion in 2005.

Summary of Committee-Reported Resolution

The resolution calls for \$68.9 billion in budget authority and \$68.1 billion in outlays in fiscal year 2006. The function totals are \$344.7 billion in budget authority and \$342.9 billion in outlays over 5 years. Mandatory spending is \$37.1 billion in budget authority and \$37.1 billion in outlays in fiscal year 2006, and totals \$190.8 billion in budget authority and \$190.3 billion in outlays over 5 years. Discretionary spending is \$31.7 billion in budget authority and \$31.0 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committee with jurisdiction over programs in this function is the Committee on Veterans Affairs. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment(s): The Chairman's Mark increased budget authority over the President's recommended levels by \$68 million in fiscal year 2006 and \$609 million over the period 2006–10. During markup, the Budget Committee adopted an amendment by Mr. Bradley further increasing budget authority by \$229 million for fiscal year 2006 and \$1.145 billion over the period 2006–10. As a result, the reported resolution includes an increase in total veterans budget authority of \$297 million in fiscal year 2006 over the President's request. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 750: ADMINISTRATION OF JUSTICE**Function Summary**

This function supports the majority of Federal justice and law enforcement programs and activities. This includes funding for the Department of Justice, as well as the financial law enforcement activities of the Department of the Treasury, Federal courts and prisons, and criminal justice assistance to State and local governments.

Homeland security spending in this function includes funding for the law enforcement and border protection activities of the Department of Homeland Security and the counterterrorism activities of the Department of Justice and the Department of the Treasury.

For the 5-year period 2001–05, budget authority in this function rose an average of 7.7 percent per year, to \$39.8 billion. Outlays rose to \$39.5 billion in the same period, an average of 6.7 percent per year.

Summary of Committee-Reported Resolution

The resolution calls for \$40.8 billion in budget authority and \$42.3 billion in outlays in fiscal year 2006. The function totals are \$209.7 billion in budget authority and \$213 billion in outlays over 5 years. Mandatory spending is \$2.1 billion in budget authority and \$1.3 billion in outlays in fiscal year 2006, and totals \$4.6 billion in budget authority and \$4.5 billion in outlays over 5 years. Discretionary spending is \$38.7 billion in budget authority and \$41 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the Committee on the Judiciary and the Committee on Ways and Means. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President's recommended level, as re-estimated by the Congressional Budget Office, with an adjustment for the Federal Judiciary to grow at the rate of inflation. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 800: GENERAL GOVERNMENT**Function Summary**

General Government 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 Office of Personnel Management, and the property and personnel costs of the General Services Administration; general purpose fiscal assistance to States, localities, the District of Columbia, and U.S. territories; and other general Government activities.

Function 800 budget authority rose an average of 5.2 percent per year for the 5-year period 2001–05, to \$16.7 billion. During the same time period, outlays rose to \$17.7 billion, at an average rate of 6.4 percent per year.

Summary of Committee-Reported Resolution

The resolution calls for \$18 billion in budget authority and \$18.3 billion in outlays in fiscal year 2006. The function totals are \$88.5 billion in budget authority and \$88.5 billion in outlays over 5 years. Mandatory spending is \$1.7 billion in budget authority and \$1.7 billion in outlays in fiscal year 2006, and totals \$7.3 billion in budget authority and \$7.3 billion in outlays over 5 years. Discretionary spending is \$16.3 billion in budget authority and \$16.6 billion in outlays in fiscal year 2006.

MANDATORY SPENDING

The function includes a collection of legislative and executive branch programs that support the general responsibilities—the “nuts and bolts”—of running the federal government, as such almost every authorizing committee in Congress has some jurisdiction over programs in this function. The largest mandatory programs within this function fall under the jurisdiction of the Committee on Government Reform, the Committee on Ways and Means and the Committee on House Administration. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2006 is the President’s recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will allocate budget authority among the respective subcommittees, which will determine funding levels for specific programs.

FUNCTION 900: NET INTEREST**Function Summary**

This function includes net interest, which is the interest paid for the Federal Government's borrowing less the interest received by the Federal Government from trust fund investments and loans to the public. It is a mandatory payment, with no discretionary components.

For the 5-year period 2001–05, unified budget authority and outlays declined 4.5 percent per year, to 176.9 billion in fiscal year 2005. The largest component of this decline was the interest received by off-budget trust funds.

Summary of Committee-Reported Resolution

The resolution calls for \$214.0 billion in unified budget authority and outlays in fiscal year 2006. The function totals are \$1,357.9 billion in budget authority and outlays over 5 years. On-budget spending is \$310.5 billion in budget authority and outlays in fiscal year 2006, and totals \$1,946.8 billion in budget authority and outlays over 5 years. Off-budget spending is –\$96.5 billion in budget authority and outlays in fiscal year 2006; and over 5 years, it is –\$588.9 billion in budget authority and outlays.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function.

FUNCTION 920: ALLOWANCES

Function Summary

Function 920, Allowances, 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

The function totals are \$47.903 billion in budget authority and \$24.359 billion in outlays in fiscal year 2006; and \$9.963 billion in budget authority and –\$16.969 billion in outlays for 2006–10. The figures are derived as follows:

DISCRETIONARY SPENDING

The resolution calls for \$50.0 billion in discretionary budget authority and \$32.0 billion in outlays in fiscal year 2006. This is to anticipate the likelihood of supplemental appropriations for continuing military operations in Afghanistan and Iraq. This is a mid-range estimate for anticipated annual costs. It is not an attempt to predetermine the scope or intensity of operations, troops levels, or which weapons and supplies the Department of Defense will need, but rather an effort to make the budget reflect a likely future expenditure. Over 5 years, outlays from the 2006 budget authority total \$50 billion.

MANDATORY SPENDING

The Allowances function also reflects a net reduction in mandatory spending called for in the budget resolution.

As noted previously, the budget recognizes the significance and rapid growth of mandatory spending—spending not subject to annual appropriations—which now consumes about 55 percent of total Federal spending (excluding interest). Total mandatory spending (including interest) is growing at a rate of about 6.4 percent per year. At its current rate, net non-interest mandatory spending will consume 61 percent of total spending in just 10 years—increasingly crowding out other priorities. Spending control depends on controlling the rate of mandatory spending growth. Therefore, to slow the growth of total mandatory spending—to about 6.3 percent per year—the budget includes reconciliation directives to nine authorizing committees (see the Reconciliation discussion in this report). The net savings called for are expressed in this function in the negative figures for mandatory spending: –\$2.097 in budget authority and –\$7.641 in outlays in fiscal year 2006; and –\$40.037 billion in budget authority and –\$66.969 billion in outlays for 2006–10.

By placing these savings amounts in this function, the budget resolution assures the flexibility of the authorizing committees in determining the programmatic decisions as to how these savings are achieved. The committees are free to legislate savings provisions in any of the mandatory programs in their jurisdictions, so long as they reach the outlays savings called for in their respective

reconciliation targets. Nothing in the functional levels should be construed as constraining the policy choices the committees make.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS**Function Summary**

This function consists of receipts to the Treasury. 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.

Because increases in on-budget receipts appear as negative spending, budget authority shows a decline for the 5-year period 2001–05 of 9.2 percent per year, on average, to \$54.1 billion in 2005, indicating an increase in receipts. Similarly, the increasing receipts are reflected as a decline in outlays in the same period by an average of 9.2 percent per year, to \$54.1 billion in 2005. Off-budget receipts have increased an average of 7.9 percent per year, reaching \$11.2 billion in 2005 (as reflected in negative spending).

Summary of Committee-Reported Resolution

The resolution calls for –\$67.1 billion in unified budget authority and –\$67.1 billion in outlays in fiscal year 2006 (with the minus signs again indicating receipts into the Treasury.) The function totals are –\$375.7 billion in budget authority and –\$376.4 billion in outlays over 5 years.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are the Committees on Energy and Commerce, Armed Services, Resources, and Government Reform. The mandatory figures are CBO baseline levels. Any changes in these levels that may result from reconciliation directives (described in the Reconciliation discussion in this report) and the savings indicated under Function 920 will be determined by policies developed by the committees of jurisdiction.

Revenue Comparisons

TABLE 3.—COMPARISON OF TOTAL REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION
[In billions of dollars]

	Amount
Fiscal year:	
1993 Actual	1,154.4
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 Actual	1,827.5
2000 Actual	2,025.2
2001 Actual	1,991.2
2002 Actual	1,853.2
2003 Actual	1,782.3
2004 Actual	1,880.1
Fiscal Year 2005:	
President's Request (February 2005)	2,057.3
Committee Level	2,057.4
Fiscal Year 2006:	
President's Request (February 2005)	2,209.8
Committee Level	2,194.8
Fiscal Year 2007:	
President's Request (February 2005)	2,350.5
Committee Level	2,331.2
Fiscal Year 2008:	
President's Request (February 2005)	2,491.5
Committee Level	2,496.0
Fiscal Year 2009:	
President's Request (February 2005)	2,625.1
Committee Level	2,634.6
Fiscal Year 2010:	
President's Request (February 2005)	2,769.8
Committee Level	2,784.3

Note: President's Request is CBO estimate.

TABLE 4.—COMPARISON OF ON-BUDGET REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION
[In billions of dollars]

	Amount
Fiscal year:	
1993 Actual	842.5
1994 Actual	923.6
1995 Actual	1,000.8
1996 Actual	1,085.6
1997 Actual	1,187.3
1998 Actual	1,306.0
1999 Actual	1,383.0
2000 Actual	1,544.6
2001 Actual	1,483.7
2002 Actual	1,337.9
2003 Actual	1,258.5
2004 Actual	1,345.3
Fiscal Year 2005:	
President's Request (February 2005)	1,483.8
Committee Level	1,484.0
Fiscal Year 2006:	
President's Request (February 2005)	1,605.0
Committee Level	1,589.9
Fiscal Year 2007:	
President's Request (February 2005)	1,712.6
Committee Level	1,693.3
Fiscal Year 2008:	
President's Request (February 2005)	1,819.7
Committee Level	1,824.3
Fiscal Year 2009:	
President's Request (February 2005)	1,919.2
Committee Level	1,928.7
Fiscal Year 2010:	
President's Request (February 2005)	2,029.3
Committee Level	2,043.9

Note: President's Request is CBO estimate.

TABLE 5.—CBO BASELINE REVENUES BY SOURCE, IN BILLIONS OF DOLLARS

[Includes on- and off-budget revenues, fiscal years]

	1950	1960	1970	1980	1990	2000	Projected	
							2005	2006
Individual Income Taxes	15.8	40.7	90.4	244.1	466.9	1004.5	898.6	986.2
Corporate Income Tax	10.4	21.5	32.8	64.6	93.5	207.3	215.9	226.4
Social Insurance Tax and Contributions	4.3	14.7	44.4	157.8	380.0	652.9	789.8	833.1
Excise Taxes	7.6	11.7	15.7	24.3	35.3	68.9	73.7	76.6
Estate and Gift Taxes	0.7	1.6	3.6	6.4	11.5	29.0	23.7	27.2
Customs Duties	0.4	1.1	2.4	7.2	16.7	19.9	21.2	23.3
Miscellaneous Receipts	0.2	1.2	3.4	12.7	28.0	42.8	34.5	39.7
Total	39.4	92.5	192.8	517.1	1032.0	2025.2	2057.5	2212.5
On-budget Revenues	37.3	81.9	159.3	403.9	750.3	1544.6	1484.0	1607.7
Off-budget Revenues	2.1	10.6	33.5	113.2	281.7	480.6	573.5	604.9

TABLE 6.—CBO BASELINE REVENUES BY SOURCE, AS PERCENT OF GDP

[Includes on- and off-budget revenues, fiscal years]

	1950	1960	1970	1980	1990	2000	Projected	
							2005	2006
Individual Income Taxes	5.8	7.9	8.9	9.0	8.1	10.3	7.3	7.7
Corporate Income Tax	3.8	4.2	3.2	2.4	1.6	2.1	1.8	1.8
Social Insurance Tax and Contributions	1.6	2.8	4.4	5.8	6.6	6.7	6.5	6.5
Excise Taxes	2.8	2.3	1.6	0.9	0.6	0.7	0.6	0.6
Estate and Gift Taxes	0.3	0.3	0.4	0.2	0.2	0.3	0.2	0.2
Customs Duties	0.1	0.2	0.2	0.3	0.3	0.2	0.2	0.2
Miscellaneous Receipts	0.1	0.2	0.3	0.5	0.5	0.4	0.3	0.3
Total	14.4	17.9	19.0	19.0	18.0	20.9	16.8	17.2
On-budget Revenues	13.7	15.8	15.7	14.8	13.1	15.9	12.1	12.5
Off-budget Revenues	0.8	2.1	3.3	4.2	4.9	4.9	4.7	4.7

TABLE 7.—COMPARISON OF TOTAL REVENUES FOR CBO BASELINE AND COMMITTEE
RECOMMENDATION
[In billions of dollars]

	Amount
Fiscal year:	
1993 Actual	1,154.4
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 Actual	1,827.5
2000 Actual	2,025.2
2001 Actual	1,991.2
2002 Actual	1,853.2
2003 Actual	1,782.3
2004 Actual	1,880.1
Fiscal Year 2005:	
CBO Baseline	2,057.5
Committee Level	2,057.4
Fiscal Year 2006:	
CBO Baseline	2,212.5
Committee Level	2,194.8
Fiscal Year 2007:	
CBO Baseline	2,357.2
Committee Level	2,331.2
Fiscal Year 2008:	
CBO Baseline	2,508.0
Committee Level	2,496.0
Fiscal Year 2009:	
CBO Baseline	2,662.2
Committee Level	2,634.6
Fiscal Year 2010:	
CBO Baseline	2,806.8
Committee Level	2,784.3

TABLE 8.—COMPARISON OF TOTAL REVENUES, AS PERCENT OF GDP, FOR CBO BASELINE AND COMMITTEE RECOMMENDATION
 [Percent of gross domestic product]

	Amount
Fiscal year:	
1993 Actual	17.6
1994 Actual	18.1
1995 Actual	18.5
1996 Actual	18.9
1997 Actual	19.3
1998 Actual	20.0
1999 Actual	20.0
2000 Actual	20.9
2001 Actual	19.8
2002 Actual	17.8
2003 Actual	16.4
2004 Actual	16.3
Fiscal Year 2005:	
CBO Baseline	16.8
Committee Level	16.8
Fiscal Year 2006:	
CBO Baseline	17.2
Committee Level	17.0
Fiscal Year 2007:	
CBO Baseline	17.3
Committee Level	17.2
Fiscal Year 2008:	
CBO Baseline	17.5
Committee Level	17.4
Fiscal Year 2009:	
CBO Baseline	17.7
Committee Level	17.5
Fiscal Year 2010:	
CBO Baseline	17.8
Committee Level	17.7

TABLE 9.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2005–2009
[Billions of dollars]

Function	Corporations					Individuals					Total 2005–09
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
National Defense											
Exclusion of benefits and allowances to Armed Forces personnel						2.9	2.9	3.0	3.1	3.1	15.0
Exclusion of military disability benefits						0.1	0.1	0.1	0.1	0.1	0.5
Deduction for overnight-travel expenses of National Guard and Reserve Members						0.1	0.1	0.1	0.1	0.1	0.4
International Affairs											
Exclusion of income earned abroad by U.S. citizens						3.6	3.8	4.0	4.2	4.4	20.1
Exclusion of certain allowances for Federal employees abroad						0.5	0.6	0.6	0.7	0.7	3.0
Exclusion of extraterritorial income	3.1	3.9	1.9	0.1	0.1	0.1	0.1	(¹)	(¹)	(¹)	9.4
Deferral of active income of controlled foreign corporations	3.2	3.4	5.8	6.4	7.0						25.8
Inventory property sales source rule exception	5.9	6.2	6.4	6.3	6.1						30.9
Deferral of certain active financing income	1.0	1.1	1.7								3.8
General Science, Space, and Technology											
Tax credit for qualified research expenditures	4.8	3.0	1.5	1.0	0.4	0.1	0.1	(¹)	(¹)	(¹)	11.0
Expensing of research and experimental expenditures	4.0	5.5	6.3	6.4	6.3	0.1	0.1	0.1	0.1	0.1	31.7
Energy											
Expensing of exploration and development costs:											
Oil and gas	0.5	0.4	0.4	0.5	0.5	(¹)	(¹)	(¹)	(¹)	(¹)	2.4
Other fuels	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	0.3
Excess of percentage over cost depletion:											
Oil and gas	0.5	0.5	0.5	0.6	0.6	(¹)	(¹)	(¹)	(¹)	(¹)	2.8
Other fuels	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	0.2
Incentives for small refiners to comply with EPA sulfur regulations	(¹)	(¹)	(¹)	(¹)	(¹)						0.1
Tax credit for enhanced oil recovery costs	0.2	0.3	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.1	2.0
Tax credit for production of non-conventional fuels	1.0	1.1	1.3	0.5	0.1	0.2	0.3	0.3	0.1	(¹)	5.1
Tax credit for alcohol fuel blenders ²	(¹)	(¹)	(¹)	(¹)	(¹)						0.1
Tax credit for biodiesel blenders ³	(¹)	(¹)	(¹)	(¹)	(¹)						(¹)
Exclusion of interest on State and local government bonds for energy production facilities	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	1.0
Exclusion of energy conservation subsidies provided by public utilities						(¹)	(¹)	(¹)	(¹)	(¹)	0.1
Tax credit for investments in solar and geothermal energy facilities	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	0.1
Tax credit for electricity production from renewable resources	0.2	0.2	0.3	0.4	0.4	0.1	0.1	0.1	0.1	0.1	2.0
Deferral of gain from the disposition of electric transmission property to implement Federal Energy Regulatory Commission restructuring policy	2.7	2.1	-0.2	-1.0	-1.0						2.6

Natural Resources and Environment											
Expensing of exploration and development costs, nonfuel minerals	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3
Excess of percentage over cost depletion, nonfuel minerals	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
Expensing and amortization of timber-growing costs	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
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	0.5	0.5	0.6	0.6	0.6	3.8
Special rules for mining reclamation reserves	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Special tax rate for nuclear decommissioning reserve fund	0.4	0.5	0.6	0.7	0.8	.....	.....	.....	.....	.....	3.0
Exclusion of contributions in aid of construction for water and sewer utilities	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	0.2
Agriculture											
Expensing of soil and water conservation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Expensing of fertilizer and soil conditioner costs	(1)	(1)	(1)	(1)	(1)	0.1	(1)	(1)	(1)	(1)	0.2
Expensing of the costs of raising dairy and breeding cattle	(1)	(1)	(1)	(1)	(4)	0.1	0.1	(1)	(1)	(4)	0.2
Exclusion of cost-sharing payments	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of cancellation of indebtedness income of farmers .....	.....	.....	.....	.....	.....	0.1	0.1	0.1	0.1	0.1	0.4
Cash accounting for agriculture	0.1	0.1	0.1	0.1	0.1	0.5	0.6	0.6	0.6	0.6	3.1
Income averaging for farmers and fishermen .....	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for net operating losses attributable to farming	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Commerce and Housing											
Financial institutions:											
Exemption of credit union income	1.4	1.4	1.5	1.6	1.6	.....	.....	.....	.....	.....	7.5
Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts	2.4	2.5	2.6	2.6	2.7	25.0	25.7	26.4	27.2	27.9	145.0
Small life insurance company taxable income adjustment	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.3
Special treatment of life insurance company reserves	1.8	1.9	2.0	2.0	2.1	.....	.....	.....	.....	.....	9.8
Deduction of unpaid property loss reserves for property and casualty insurance companies	1.5	1.6	1.6	1.6	1.7	.....	.....	.....	.....	.....	8.0
Special deduction for Blue Cross and Blue Shield companies	0.9	0.9	1.0	1.0	1.0	.....	.....	.....	.....	.....	4.8
Housing:											
Deduction for mortgage interest on owner-occupied residences .....	.....	.....	.....	.....	.....	72.6	81.1	87.7	93.5	99.4	434.2
Deduction for property taxes on owner-occupied residences .....	.....	.....	.....	.....	.....	19.6	15.0	13.4	13.0	13.2	74.1
Exclusion of capital gains on sales of principal residences .....	.....	.....	.....	.....	.....	22.9	23.7	24.6	25.4	26.3	123.0
Exclusion of interest on State and local government bonds for owner-occupied housing	0.3	0.4	0.4	0.4	0.4	0.9	0.9	1.0	1.0	1.1	6.8
Exclusion of interest on State and local government bonds for rental housing	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	1.4
Depreciation of rental housing in excess of alternative depreciation system	0.4	0.4	0.5	0.5	0.6	3.4	3.8	4.3	4.9	5.6	24.4
Tax credit for low-income housing	3.3	3.4	3.5	3.6	3.7	1.4	1.5	1.5	1.6	1.7	25.2
Tax credit for rehabilitation of historic structures	0.2	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	1.7
Other business and commerce:											
Reduced rates of tax on dividends and long-term capital gains .....	.....	.....	.....	.....	.....	57.8	64.2	69.9	78.6	86.3	356.8
Exclusion of capital gains at death .....	.....	.....	.....	.....	.....	38.0	40.5	43.1	45.7	48.3	215.6
Carryover basis of capital gains on gifts .....	.....	.....	.....	.....	.....	4.6	4.9	5.2	5.5	5.8	26.0

TABLE 9.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2005–2009—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2005–09
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
Deferral of gain on non-dealer installment sales	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.6	5.9
Deferral of gain on like-kind exchanges	1.2	1.3	1.3	1.4	1.4	0.5	0.5	0.5	0.5	0.5	9.1
Depreciation of buildings other than rental housing in excess of alternative depreciation system	1.4	0.9	1.2	1.6	2.1	1.3	0.1	0.2	0.3	0.5	9.6
Depreciation of equipment in excess of the alternative depreciation system	18.8	5.9	10.6	15.7	20.3	2.2	-2.2	-0.1	1.7	3.5	76.4
Expensing under section 179 of depreciable business property	0.5	0.7	0.6	-0.1	-0.4	2.1	3.0	2.5	(1)	-0.9	8.0
Amortization of business startup costs	(1)	(1)	(1)	(1)	(1)	0.6	0.6	0.6	0.6	0.7	3.1
Reduced rates on first \$10,000,000 of corporate taxable income	3.6	4.6	5.1	5.2	5.2	.....	.....	.....	.....	.....	23.7
Permanent exemption from imputed interest rules	(1)	(1)	(1)	(1)	(1)	0.3	0.3	0.3	0.3	0.3	1.6
Expensing of magazine circulation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Special rules for magazine, paperback book, and record returns	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Completed contract rules	0.3	0.3	0.3	0.4	0.4	(1)	(1)	(1)	(1)	(1)	1.8
Cash accounting, other than agriculture	(1)	(1)	(1)	(1)	(1)	0.7	0.8	0.8	0.8	0.8	3.9
Exclusion of interest on State and local government small-issue bonds	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.4	0.4	0.4	2.5
Exception from net operating loss limitations for corporations in bankruptcy proceedings ..	0.6	0.6	0.6	0.6	0.6	.....	.....	.....	.....	.....	3.0
Tax credit for employer-paid FICA taxes on tips	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	2.8
Deduction of certain film and television production costs	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	0.3
Production activity deduction	1.8	2.7	3.9	5.5	5.9	0.6	0.9	1.3	1.8	2.0	26.4
Transportation											
Provide a 50-percent tax credit for certain expenditures for maintaining railroad tracks	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.4
Deferral of tax on capital construction funds of shipping companies	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.4
Exclusion of employer-paid transportation benefits .....	.....	.....	.....	.....	.....	4.0	4.2	4.3	4.4	4.5	21.4
Community and Regional Development											
New York City Liberty Zone tax incentives	0.3	0.4	0.1	.....	.....	0.3	0.4	0.3	0.2	0.2	2.0
Empowerment zone tax incentives	0.3	0.4	0.4	0.4	0.5	0.4	0.4	0.5	0.5	0.5	4.2
Renewal community tax incentives	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	0.5	3.3
New markets tax credit	0.2	0.2	0.3	0.4	0.3	0.2	0.3	0.4	0.5	0.4	3.3
District of Columbia tax incentives	(1)	(1)	(1)	(1)	(1)	0.1	0.1	(1)	0.1	0.1	0.4
Wage credit for Indian reservation employment	0.1	(1)	(1)	(1)	.....	(1)	(1)	(1)	(1)	.....	0.1
Expensing of environmental remediation costs ("brownfields")	0.1	(1)	(1)	(1)	(1)	0.1	(1)	(1)	(1)	(1)	0.1
Exclusion of interest on State and local government bonds for qualified green building and sustainable design projects	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Tax credit for rehabilitation of structures, other than historic structures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2

Exclusion of interest on State and local government bonds for private airports, docks, and mass-commuting facilities	0.3	0.3	0.3	0.3	0.3	0.6	0.7	0.7	0.7	0.8	4.9
Education, Training, Employment, and Social Services											
Education and training:											
Tax credits for tuition for post-secondary education						5.2	5.3	5.3	5.4	5.4	26.6
Deduction for interest on student loans						0.8	0.9	0.9	0.9	1.0	4.5
Deduction for higher education expenses						2.8	0.7				3.5
Exclusion of earnings of Coverdell education savings accounts						0.1	0.1	0.1	0.2	0.2	0.7
Exclusion of interest on educational savings bonds						(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of earnings of qualified tuition programs						0.5	0.6	0.7	0.8	0.9	3.4
Exclusion of scholarship and fellowship income						1.4	1.5	1.5	1.6	1.6	7.6
Exclusion of income attributable to the discharge of certain student loan debt and NHSC Educational Loan repayments						(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of employer-provided education assistance benefits						0.8	0.8	0.9	0.9	0.9	4.3
Parental personal exemption for students age 19 to 23						1.1	0.5	0.3	0.2	0.2	2.3
Exclusion of interest on State and local government student loan bonds	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.4	2.2
Exclusion of interest on State and local government bonds for private nonprofit and qualified public educational facilities	0.3	0.3	0.3	0.4	0.4	0.8	0.9	0.9	0.9	1.0	6.2
Tax credit for holders of qualified zone academy bonds	0.1	0.1	0.1	0.1	0.1						0.4
Deduction for charitable contributions to educational institutions	0.8	0.9	0.9	0.9	1.0	4.9	5.4	5.9	6.3	6.9	34.0
Above-the-line deduction for teacher classroom expenses						0.2	0.1				0.2
Employment:											
Exclusion of employee meals and lodging (other than military)						0.9	0.9	0.9	0.9	1.0	4.8
Exclusion of benefits provided under cafeteria plans ⁵						23.6	24.9	26.6	28.6	30.7	134.4
Exclusion of housing allowances for ministers						0.5	0.5	0.5	0.5	0.6	2.5
Exclusion of miscellaneous fringe benefits						6.4	6.6	6.8	7.0	7.3	34.2
Exclusion of employee awards						0.2	0.2	0.2	0.2	0.2	0.8
Exclusion of income earned by voluntary employees' beneficiary associations						3.1	3.3	3.4	3.5	3.7	17.0
Special tax provisions for employee stock ownership plans (ESOPs)	0.8	0.9	0.9	0.9	0.9	0.3	0.3	0.3	0.3	0.3	5.9
Work opportunity tax credit	0.2	0.2	0.1	(1)	(1)	0.1	(1)	(1)	(1)	(1)	0.6
Welfare-to-work tax credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Deferral of taxation on spread on acquisition of stock under incentive stock option plans and employee stock purchase plans ⁶						0.4	0.4	0.4	0.4	0.4	2.0
Social services:											
Tax credit for children under age 17 ⁷						46.6	46.5	46.4	46.4	45.8	231.7
Tax credit for child and dependent care expenses						3.0	2.2	1.9	1.8	1.7	10.6
Exclusion of employer-provided child care ⁸						1.0	1.1	1.1	1.2	1.3	5.6
Tax credit for employer-provided dependent care	0.1	0.1	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	0.8
Exclusion of certain foster care payments						0.6	0.6	0.6	0.7	0.7	3.2
Adoption credit and employee adoption benefits exclusion						0.2	0.2	0.2	0.2	0.2	1.0

TABLE 9.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2005–2009—Continued
[Billions of dollars]

Function	Corporations					Individuals					Total 2005–09
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	
Deduction for charitable contributions, other than for education and health	1.8	1.9	2.0	2.1	2.1	26.0	29.4	31.9	34.2	37.7	169.3
Tax credit for disabled access expenditures	(¹)	(¹)	(¹)	(¹)	(¹)	0.1	0.1	0.1	0.1	0.1	0.4
Health											
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums ⁹						78.6	91.2	100.2	107.8	116.0	493.7
Exclusion of medical care and CHAMPUS/TRICARE medical insurance for military dependents, retirees, and retiree dependents						1.6	1.6	1.7	1.7	1.7	8.4
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed						3.2	3.8	4.2	4.5	5.0	20.7
Deduction for medical expenses and long-term care expenses						7.7	8.2	8.9	9.5	9.9	44.1
Exclusion of workers' compensation benefits (medical benefits)						5.2	5.5	5.7	6.0	6.3	28.8
Health savings accounts						0.4	0.5	0.5	0.6	0.7	2.7
Exclusion of interest on State and local government bonds for private nonprofit hospital facilities	0.5	0.5	0.5	0.6	0.6	1.3	1.3	1.4	1.4	1.5	9.7
Deduction for charitable contributions to health organizations	0.9	1.0	1.0	1.0	1.1	3.3	3.7	4.1	4.3	4.8	25.2
Tax credit for orphan drug research	0.2	0.2	0.2	0.3	0.3						1.2
Tax credit for purchase of health insurance by certain displaced persons						0.1	0.1	0.1	0.1	0.1	0.6
Medicare											
Exclusion of Medicare benefits:											
Hospital insurance (Part A)						16.4	18.1	19.7	21.4	23.9	99.5
Supplementary medical insurance (Part B)						10.9	11.8	12.8	13.9	15.7	65.1
Prescription drug insurance (Part D)							4.3	7.2	8.4	9.8	29.7
Exclusion of certain subsidies to employers who maintain prescription drug plans for Medicare		1.2	1.7	1.9	2.1						6.8
Income Security											
Exclusion of workers' compensation benefits (disability and survivors payments)						3.9	4.1	4.3	4.5	4.7	21.5
Exclusion of damages on account of personal physical injuries or physical sickness						1.4	1.4	1.5	1.5	1.5	7.3
Exclusion of special benefits for disabled coal miners						0.1	0.1	0.1	(¹)	(¹)	0.3
Exclusion of cash public assistance benefits						2.5	2.6	2.7	2.7	2.8	13.3
Net exclusion of pension contributions and earnings:											
Employer plans						102.8	107.9	113.3	118.9	124.8	567.8
Individual retirement plans						11.6	14.8	16.3	18.0	19.5	80.2
Keogh plans						8.3	9.1	10.8	11.5	11.4	51.1

Tax credit for certain individuals for elective deferrals and IRA contributions						1.7	1.6	0.5	.....	.....	3.8
Tax credit for new retirement plan expenses of small businesses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of other employee benefits:											
Premiums on group term life insurance						2.5	2.5	2.6	2.6	2.7	12.9
Premiums on accident and disability insurance						2.5	2.6	2.7	2.8	2.9	13.4
Additional standard deduction for the blind and the elderly						1.8	1.8	1.7	1.8	1.9	9.1
Tax credit for the elderly and disabled						(1)	(1)	(1)	(1)	(1)	0.1
Deduction for casualty and theft losses						0.2	0.2	0.2	0.2	0.2	1.1
Earned income credit (EIC) ⁷						39.0	39.0	38.8	39.0	39.3	195.1
Social Security and Railroad Retirement											
Exclusion of certain social security and railroad retirement benefits						22.3	22.3	22.8	23.5	24.4	115.3
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation						3.4	3.5	3.5	3.6	3.6	17.5
Exclusion of veterans' pensions						0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of veterans' readjustment benefits						0.2	0.2	0.2	0.2	0.3	1.2
Exclusion of interest on State and local government bonds for veterans' housing	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
General Purpose Fiscal Assistance											
Exclusion of interest on public purpose State and local government debt	7.4	7.5	7.6	7.8	8.0	19.1	19.3	19.7	20.1	20.5	136.9
Deduction of nonbusiness State and local government income, sales, and personal property taxes						46.2	36.8	33.9	33.7	35.2	185.8
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity	1.2	0.3	.....	.....	.....	.....	.....	.....	.....	.....	1.5
Interest											
Deferral of interest on savings bonds						1.1	1.1	1.1	1.1	1.1	5.6

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 \$1.4 billion in each of the fiscal years 2005 through 2007 and \$1.5 billion per year in fiscal years 2008 and 2009.

³ In addition, the exemption from excise tax for biodiesel results in a reduction in excise tax receipts, net of income tax effect, of a total of \$0.1 billion over the fiscal years 2004 through 2007.

⁴ Negative tax expenditure of less than \$50 million.

⁵ Estimate includes amounts of employer-provided health insurance purchased through cafeteria plans and employer-provided child care purchased through dependent care flexible spending accounts. These amounts are also included in other line items in this table.

⁶ Tax expenditure estimate does not include offsetting denial of corporate deduction for qualified stock option compensation.

⁷ Tax expenditure estimate includes refundable amounts, amounts used to offset income taxes, and amounts used to offset other taxes. The amount of refundable child tax credit and earned income tax credit used to offset taxes other than income tax or paid out as refunds is: \$51.5 billion in 2005, \$51.9 billion in 2006, \$51.0 billion in 2007, and \$50.6 billion in 2008, and \$50.7 in 2009.

⁸ Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.

⁹ Estimate includes employer-provided health insurance purchased through cafeteria plans.

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

Source: Joint Committee on Taxation.

TABLE 10.—FISCAL YEAR 2006 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES

[In billions of dollars]							
Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
Summary							
Total Spending:							
BA	2,471.111	2,553.527	2,630.115	2,761.537	2,894.637	3,010.943	13,850.759
OT	2,451.244	2,570.621	2,635.179	2,742.732	2,864.079	2,987.327	13,799.938
On-Budget:							
BA	2,070.357	2,135.290	2,199.074	2,314.562	2,430.359	2,527.892	11,607.177
OT	2,052.551	2,154.404	2,206.300	2,298.338	2,402.719	2,507.365	11,569.126
Off-Budget:							
BA	400.754	418.237	431.041	446.975	464.278	483.051	2,243.582
OT	398.693	416.217	428.879	444.394	461.360	479.962	2,230.812
Revenues:							
Total	2,057.446	2,194.781	2,331.157	2,496.038	2,634.611	2,784.345	12,440.932
On-Budget	1,483.971	1,589.905	1,693.266	1,824.251	1,928.663	2,043.903	9,079.988
Off-Budget	573.475	604.876	637.891	671.787	705.948	740.442	3,360.944
Surplus/Deficit (–):							
Total	–393.798	–375.840	–304.022	–246.694	–229.468	–202.982	–1,359.006
On-Budget	–568.580	–564.499	–513.034	–474.087	–474.056	–463.462	–2,489.138
Off-Budget	174.782	188.659	209.012	227.393	244.588	260.480	1,130.132
Debt Held by the Public (end of year)	4,685	5,071	5,389	5,649	5,891	6,105	na
Debt Subject to Limit (end of year)	7,958	8,635	9,264	9,862	10,464	11,060	na
By Function							
National Defense (050):							
BA	500.621	441.562	465.260	483.730	503.763	513.904	2,408.219
OT	497.196	475.603	460.673	471.003	489.220	505.908	2,402.407
International Affairs (150):							
BA	32.085	31.718	34.835	35.197	35.237	34.928	171.915
OT	32.166	35.097	33.359	32.397	32.115	31.643	164.611
General Science, Space, and Technology (250):							
BA	24.413	24.735	25.171	25.545	25.851	26.162	127.464
OT	23.594	23.894	24.610	24.922	25.242	25.565	124.233
Energy (270):							
BA	2.564	3.147	2.362	2.445	2.056	1.754	11.764
OT	0.794	2.027	1.212	0.551	0.652	0.543	4.985
Natural Resources and Environment (300):							
BA	32.527	30.513	30.883	30.952	31.706	31.248	155.302
OT	31.168	32.276	32.046	32.402	32.663	32.254	161.641
Agriculture (350):							
BA	30.151	29.480	27.190	25.334	25.691	25.417	133.112
OT	28.550	28.507	25.999	24.281	24.796	24.687	128.270
Commerce and Housing Credit (370):							
BA	13.004	6.172	4.874	6.440	6.867	10.465	34.818
OT	7.502	0.962	–0.271	0.650	–0.032	2.293	3.602
On-Budget:							
BA	16.804	10.772	10.074	10.040	10.667	14.565	56.118
OT	11.302	5.562	4.929	4.250	3.768	6.393	24.902
Off-Budget:							
BA	–3.800	–4.600	–5.200	–3.600	–3.800	–4.100	–21.300
OT	–3.800	–4.600	–5.200	–3.600	–3.800	–4.100	–21.300
Transportation (400):							
BA	72.506	70.007	70.130	70.501	70.911	72.254	353.803
OT	67.703	70.393	72.421	74.167	75.500	77.356	369.837
Community and Regional Development (450):							
BA	23.007	14.179	14.196	14.283	14.421	14.441	71.520
OT	20.756	18.461	17.413	15.727	14.491	14.140	80.232
Education, Training, Employment and Social Services (500):							
BA	94.001	91.978	89.925	89.980	90.194	89.652	451.729

TABLE 10.—FISCAL YEAR 2006 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES—
Continued
[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
OT	92.798	90.981	90.360	88.864	88.363	88.181	446.749
Health (550):							
BA	257.469	262.151	275.220	295.010	317.113	336.523	1,486.017
OT	252.770	262.513	274.801	293.810	313.625	335.574	1,480.323
Medicare (570):							
BA	292.587	331.181	371.875	395.312	420.234	448.111	1,966.713
OT	293.587	330.944	372.167	395.364	419.828	448.442	1,966.745
Income Security (600):							
BA	339.057	347.218	352.416	365.343	374.529	383.590	1,823.096
OT	347.754	354.055	359.566	370.830	378.609	386.978	1,850.038
Social Security (650):							
BA	522.557	546.967	572.120	600.260	632.747	668.078	3,020.172
OT	520.496	544.947	569.958	597.679	629.829	664.989	3,007.402
On-Budget:							
BA	15.849	15.891	17.704	19.768	21.743	24.029	99.135
OT	15.849	15.891	17.704	19.768	21.743	24.029	99.135
Off-Budget:							
BA	506.708	531.076	554.416	580.492	611.004	644.049	2,921.037
OT	504.647	529.056	552.254	577.911	608.086	640.960	2,908.267
Veterans Benefits and Services (700):							
BA	69.448	68.881	66.321	69.448	69.961	70.059	344.670
OT	68.873	68.148	66.014	69.258	69.672	69.787	342.879
Administration of Justice (750):							
BA	39.817	40.840	41.390	42.031	42.602	42.860	209.723
OT	39.501	42.268	42.463	42.650	42.779	42.803	212.963
General Government (800):							
BA	16.748	18.017	17.956	17.570	17.587	17.408	88.538
OT	17.656	18.308	17.999	17.555	17.378	17.216	88.456
Net Interest (900):							
BA	176.942	213.979	254.097	280.694	297.562	311.572	1,357.904
OT	176.942	213.979	254.097	280.694	297.562	311.572	1,357.904
On-Budget:							
BA	267.942	310.479	359.797	397.194	426.162	453.172	1,946.804
OT	267.942	310.479	359.797	397.194	426.162	453.172	1,946.804
Off-Budget:							
BA	-91.000	-96.500	-105.700	-116.500	-128.600	-141.600	-588.900
OT	-91.000	-96.500	-105.700	-116.500	-128.600	-141.600	-588.900
Allowances (920):							
BA	-3.135	47.903	-10.368	-9.641	-9.193	-8.738	9.963
OT	-3.304	24.359	-2.845	-10.363	-13.636	-14.484	-16.969
Undistributed Offsetting Receipts (950):							
BA	-65.258	-67.101	-75.738	-78.897	-75.202	-78.745	-375.683
OT	-65.258	-67.101	-76.863	-79.709	-74.577	-78.120	-376.370
On-Budget:							
BA	-54.104	-55.362	-63.263	-65.480	-60.876	-63.447	-308.428
OT	-54.104	-55.362	-64.388	-66.292	-60.251	-62.822	-309.115
Off-Budget:							
BA	-11.154	-11.739	-12.475	-13.417	-14.326	-15.298	-67.255
OT	-11.154	-11.739	-12.475	-13.417	-14.326	-15.298	-67.255

TABLE 11.—FISCAL YEAR 2006 BUDGET RESOLUTION DISCRETIONARY SPENDING

(In billions of dollars)

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
Summary							
Total Spending:							
BA	921.153	893.020	866.038	887.005	910.515	920.227	4,476.805
OT	961.683	979.549	938.535	936.992	951.327	967.610	4,774.013
Defense:							
BA	498.817	438.973	462.597	481.043	500.969	511.018	2,394.600
OT	495.374	472.981	457.981	468.293	486.407	503.005	2,388.667
Nondefense:							
BA	422.336	454.047	403.441	405.962	409.546	409.209	2,082.205
OT	466.309	506.568	480.554	468.699	464.920	464.605	2,385.346
By Function							
National Defense (050):							
BA	498.817	438.973	462.597	481.043	500.969	511.018	2,394.600
OT	495.374	472.981	457.981	468.293	486.407	503.005	2,388.667
International Affairs (150):							
BA	33.691	32.174	34.023	34.370	34.396	34.071	169.034
OT	36.728	37.929	35.947	34.943	34.684	34.230	177.733
General Science, Space, and Technology (250):							
BA	24.295	24.605	25.058	25.426	25.732	26.042	126.863
OT	23.516	23.815	24.523	24.829	25.142	25.462	123.771
Energy (270):							
BA	3.807	4.536	3.756	3.873	3.803	3.664	19.632
OT	3.785	4.742	4.150	3.864	3.841	3.740	20.337
Natural Resources and Environ- ment (300):							
BA	31.329	28.475	28.445	28.468	28.403	27.984	141.775
OT	31.040	30.607	29.726	29.424	29.145	28.485	147.387
Agriculture (350):							
BA	5.725	5.425	5.723	5.765	5.777	5.721	28.411
OT	5.754	5.848	5.637	5.669	5.683	5.700	28.537
Commerce and Housing Credit (370):							
BA	1.849	0.864	0.991	1.050	1.500	5.206	9.611
OT	1.543	1.099	1.332	1.066	1.273	4.123	8.893
On-budget:							
BA	1.849	0.864	0.991	1.050	1.500	5.206	9.611
OT	1.543	1.099	1.332	1.066	1.273	4.123	8.893
Off-budget:							
BA							
OT							
Transportation (400):							
BA	25.466	21.607	21.668	22.075	22.469	23.805	111.624
OT	65.581	68.205	70.268	71.918	73.343	75.248	358.982
Community and Regional Devel- opment (450):							
BA	22.676	13.695	14.051	14.218	14.357	14.374	70.695
OT	20.314	18.702	17.546	15.811	14.677	14.322	81.058
Education, Training, Employment and Social Services (500):							
BA	79.556	78.103	75.794	75.753	75.602	74.796	380.048
OT	79.217	79.502	78.041	76.338	75.464	74.968	384.313
Health (550):							
BA	54.368	50.912	50.268	50.558	52.862	50.265	254.865
OT	51.012	51.730	51.138	50.608	50.551	50.577	254.604
Medicare (570):							
BA	4.000	5.061	4.987	4.991	4.975	4.895	24.909
OT	3.989	4.855	4.991	5.002	4.978	4.912	24.738
Income Security (600):							
BA	46.056	47.115	46.295	46.324	46.178	45.489	231.401
OT	54.294	54.203	53.416	52.011	50.754	49.216	259.600
Social Security (650):							
BA	4.426	4.734	4.627	4.630	4.615	4.539	23.145

TABLE 11.—FISCAL YEAR 2006 BUDGET RESOLUTION DISCRETIONARY SPENDING—Continued

(In billions of dollars)

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
OT	4.405	4.724	4.725	4.659	4.617	4.550	23.275
On-budget:							
BA							
OT							
Off-budget:							
BA	4.426	4.734	4.627	4.630	4.615	4.539	23.145
OT	4.405	4.724	4.725	4.659	4.617	4.550	23.275
Veterans Benefits and Services (700):							
BA	30.861	31.738	30.844	30.780	30.578	29.955	153.895
OT	30.327	31.035	30.621	30.693	30.407	29.809	152.565
Administration of Justice (750):							
BA	38.819	38.713	40.623	41.359	42.016	42.367	205.078
OT	38.424	40.971	41.170	41.702	42.243	42.366	208.452
General Government (800):							
BA	15.412	16.301	16.298	16.331	16.291	16.043	81.264
OT	16.380	16.612	16.333	16.171	16.126	15.904	81.146
Allowances (920):							
BA		50.000					50.000
OT		32.000	11.000	4.000	2.000	1.000	50.000
Undistributed Offsetting Receipts (950):							
BA		-0.011	-0.010	-0.009	-0.008	-0.007	-0.045
OT		-0.011	-0.010	-0.009	-0.008	-0.007	-0.045
On-budget:							
BA		-0.011	-0.010	-0.009	-0.008	-0.007	-0.045
OT		-0.011	-0.010	-0.009	-0.008	-0.007	-0.045
Off-budget:							
BA							
OT							

TABLE 12.—FISCAL YEAR 2006 BUDGET RESOLUTION MANDATORY SPENDING

(In billions of dollars)

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
Summary							
Total Spending:							
BA	1,549.958	1,660.507	1,764.077	1,874.532	1,984.122	2,090.716	9,373.954
OT	1,489.561	1,591.072	1,696.644	1,805.740	1,912.752	2,019.717	9,025.925
On-Budget:							
BA	1,153.630	1,247.004	1,337.663	1,432.187	1,524.459	1,612.204	7,153.517
OT	1,095.273	1,179.579	1,272.490	1,366.005	1,456.009	1,544.305	6,818.388
Off-Budget:							
BA	396.328	413.503	426.414	442.345	459.663	478.512	2,220.437
OT	394.288	411.493	424.154	439.735	456.743	475.412	2,207.537
By Function							
National Defense (050):							
BA	1.804	2.589	2.663	2.687	2.794	2.886	13.619
OT	1.822	2.622	2.692	2.710	2.813	2.903	13.740
International Affairs (150):							
BA	-1.606	-0.456	0.812	0.827	0.841	0.857	2.881
OT	-4.562	-2.832	-2.588	-2.546	-2.569	-2.587	-13.122
General Science, Space, and Technology (250):							
BA	0.118	0.130	0.113	0.119	0.119	0.120	0.601
OT	0.078	0.079	0.087	0.093	0.100	0.103	0.462
Energy (270):							
BA	-1.243	-1.389	-1.394	-1.428	-1.747	-1.910	-7.868
OT	-2.991	-2.715	-2.938	-3.313	-3.189	-3.197	-15.352
Natural Resources and Environ- ment (300):							
BA	1.198	2.038	2.438	2.484	3.303	3.264	13.527
OT	0.128	1.669	2.320	2.978	3.518	3.769	14.254
Agriculture (350):							
BA	24.426	24.055	21.467	19.569	19.914	19.696	104.701
OT	22.796	22.659	20.362	18.612	19.113	18.987	99.733
Commerce and Housing Credit (370):							
BA	11.155	5.308	3.883	5.390	5.367	5.259	25.207
OT	5.959	-0.137	-1.603	-0.416	-1.305	-1.830	-5.291
On-budget:							
BA	14.955	9.908	9.083	8.990	9.167	9.359	46.507
OT	9.759	4.463	3.597	3.184	2.495	2.270	16.009
Off-budget:							
BA	-3.800	-4.600	-5.200	-3.600	-3.800	-4.100	-21.300
OT	-3.800	-4.600	-5.200	-3.600	-3.800	-4.100	-21.300
Transportation (400):							
BA	47.040	48.400	48.462	48.426	48.442	48.449	242.179
OT	2.122	2.188	2.153	2.249	2.157	2.108	10.855
Community and Regional Devel- opment (450):							
BA	0.331	0.484	0.145	0.065	0.064	0.067	0.825
OT	0.442	-0.241	-0.133	-0.084	-0.186	-0.182	-0.826
Education, Training, Employment and Social Services (500):							
BA	14.445	13.875	14.131	14.227	14.592	14.856	71.681
OT	13.581	11.479	12.319	12.526	12.899	13.213	62.436
Health (550):							
BA	203.101	211.239	224.952	244.452	264.251	286.258	1,231.152
OT	201.758	210.783	223.663	243.202	263.074	284.997	1,225.719
Medicare (570):							
BA	288.587	326.120	366.888	390.321	415.259	443.216	1,941.804
OT	289.598	326.089	367.176	390.362	414.850	443.530	1,942.007
Income Security (600):							
BA	293.001	300.103	306.121	319.019	328.351	338.101	1,591.695
OT	293.460	299.852	306.150	318.819	327.855	337.762	1,590.438
Social Security (650):							
BA	518.131	542.233	567.493	595.630	628.132	663.539	2,997.027

TABLE 12.—FISCAL YEAR 2006 BUDGET RESOLUTION MANDATORY SPENDING—Continued

[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
OT	516.091	540.223	565.233	593.020	625.212	660.439	2,984.127
On-budget:							
BA	15.849	15.891	17.704	19.768	21.743	24.029	99.135
OT	15.849	15.891	17.704	19.768	21.743	24.029	99.135
Off-budget:							
BA	502.282	526.342	549.789	575.862	606.389	639.510	2,897.892
OT	500.242	524.332	547.529	573.252	603.469	636.410	2,884.992
Veterans Benefits and Services (700):							
BA	38.587	37.143	35.477	38.668	39.383	40.104	190.775
OT	38.546	37.113	35.393	38.565	39.265	39.978	190.314
Administration of Justice (750):							
BA	0.998	2.127	0.767	0.672	0.586	0.493	4.645
OT	1.077	1.297	1.293	0.948	0.536	0.437	4.511
General Government (800):							
BA	1.336	1.716	1.658	1.239	1.296	1.365	7.274
OT	1.276	1.696	1.666	1.384	1.252	1.312	7.310
Net Interest (900):							
BA	176.942	213.979	254.097	280.694	297.562	311.572	1,357.904
OT	176.942	213.979	254.097	280.694	297.562	311.572	1,357.904
On-budget:							
BA	267.942	310.479	359.797	397.194	426.162	453.172	1,946.804
OT	267.942	310.479	359.797	397.194	426.162	453.172	1,946.804
Off-budget:							
BA	-91.000	-96.500	-105.700	-116.500	-128.600	-141.600	-588.900
OT	-91.000	-96.500	-105.700	-116.500	-128.600	-141.600	-588.900
Allowances (920):							
BA	-3.135	-2.097	-10.368	-9.641	-9.193	-8.738	-40.037
OT	-3.304	-7.641	-13.845	-14.363	-15.636	-15.484	-66.969
Undistributed Offsetting Receipts (950):							
BA	-65.258	-67.090	-75.728	-78.888	-75.194	-78.738	-375.638
OT	-65.258	-67.090	-76.853	-79.700	-74.569	-78.113	-376.325
On-budget:							
BA	-54.104	-55.351	-63.253	-65.471	-60.868	-63.440	-308.383
OT	-54.104	-55.351	-64.378	-66.283	-60.243	-62.815	-309.070
Off-budget:							
BA	-11.154	-11.739	-12.475	-13.417	-14.326	-15.298	-67.255
OT	-11.154	-11.739	-12.475	-13.417	-14.326	-15.298	-67.255

TABLE 13.—FISCAL YEAR 2006 BUDGET RESOLUTION MINUS THE PRESIDENT'S BUDGET

(In billions of dollars)

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
Summary							
Total Spending:							
BA	-0.957	48.311	-9.940	-9.966	-18.280	-19.892	-9.767
OT	-0.143	28.880	6.527	0.777	-7.483	-11.493	17.208
On-Budget:							
BA	-0.957	51.383	-6.703	-6.492	-14.634	-15.962	7.592
OT	-0.143	31.952	9.764	4.251	-3.837	-7.563	34.567
Off-Budget:							
BA		-3.072	-3.237	-3.474	-3.646	-3.930	-17.359
OT		-3.072	-3.237	-3.474	-3.646	-3.930	-17.359
Revenues:							
Total	0.176	-15.067	-19.305	4.516	9.498	14.588	-5.770
On-Budget	0.176	-15.066	-19.304	4.517	9.499	14.589	-5.765
Off-Budget		-0.001	-0.001	-0.001	-0.001	-0.001	-0.005
Surplus/Deficit (-):							
Total	0.319	-43.947	-25.832	3.739	16.981	26.081	-22.978
On-Budget	0.319	-47.018	-29.068	0.266	13.336	22.152	-40.332
Off-Budget		3.071	3.236	3.473	3.645	3.929	17.354
By Function							
National Defense (050):							
BA	1.860						
OT	0.268	0.486	0.689	0.273	0.074	0.036	1.558
International Affairs (150):							
BA	-2.622	-1.577	-1.577	-1.577	-1.577	-1.577	-7.885
OT	-0.259	-0.640	-1.254	-1.494	-1.510	-1.508	-6.406
General Science, Space, and Technology (250):							
BA							
OT							
Energy (270):							
BA			0.052	0.105	0.214	0.056	0.427
OT			0.052	0.105	0.214	0.116	0.487
Natural Resources and Environment (300):							
BA		1.174	1.156	1.022	0.953	0.673	4.978
OT		0.373	0.674	0.859	0.891	0.872	3.669
Agriculture (350):							
BA		-0.167	1.936	2.140	2.116	2.082	8.107
OT		-0.196	1.818	2.125	2.112	2.079	7.938
Commerce and Housing Credit (370):							
BA		0.118	-0.347	-0.807	-0.767	-0.725	-2.528
OT		-1.218	0.153	-0.307	-1.367	-1.025	-3.764
On-Budget:							
BA		3.210	2.980	2.812	3.029	3.365	15.396
OT		1.874	3.480	3.312	2.429	3.065	14.160
Off-Budget:							
BA		-3.092	-3.327	-3.619	-3.796	-4.090	-17.924
OT		-3.092	-3.327	-3.619	-3.796	-4.090	-17.924
Transportation (400):							
BA		0.324	-0.792	-3.771	-10.396	-10.396	-25.031
OT		0.040	0.604	1.463	1.552	-1.779	1.830
Community and Regional Development (450):							
BA		1.129	0.940	0.940	0.940	0.940	4.889
OT		0.156	0.527	0.853	0.894	0.919	3.349
Education, Training, Employment and Social Services (500):							
BA	3.765	-2.629	0.860	0.122	-0.302	-0.747	-2.696
OT	3.438	1.739	1.261	0.490	0.002	-0.457	3.035
Health (550):							
BA	-0.028	-1.722	-8.167	-6.942	-6.985	-7.135	-30.951
OT	-0.028	-0.872	-7.451	-6.881	-7.053	-7.283	-29.540

TABLE 13.—FISCAL YEAR 2006 BUDGET RESOLUTION MINUS THE PRESIDENT'S BUDGET—
Continued
[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2010	2006–2010
Medicare (570):							
BA		-0.139	-0.024				-0.163
OT		-0.139	-0.024				-0.163
Income Security (600):							
BA	-0.594	-0.177	0.019	0.034	0.049	-0.081	-0.156
OT	-0.096	0.213	5.114	5.165	5.242	5.266	21.000
Social Security (650):							
BA		0.020	0.090	0.145	0.150	0.160	0.565
OT		0.020	0.090	0.145	0.150	0.160	0.565
On-Budget:							
BA							
OT							
Off-Budget:							
BA		0.020	0.090	0.145	0.150	0.160	0.565
OT		0.020	0.090	0.145	0.150	0.160	0.565
Veterans Benefits and Services (700):							
BA		0.759	0.778	0.797	0.814	0.829	3.977
OT		0.614	0.733	0.779	0.806	0.827	3.759
Administration of Justice (750):							
BA	-0.002	-0.015	-0.015	-0.015	-0.015	-0.015	-0.075
OT	-0.001	0.001	-0.014	-0.015	-0.015	-0.015	-0.058
General Government (800):							
BA	-0.018	-0.213	-0.177	-2.159	-0.161	-0.660	-3.370
OT	-0.018	-0.143	-0.155	-2.150	-0.157	-0.659	-3.264
Net Interest (900):							
BA	-0.183	0.639	2.191	2.266	1.007	-0.472	5.631
OT	-0.183	0.639	2.191	2.266	1.007	-0.472	5.631
On-Budget:							
BA	-0.183	0.639	2.191	2.266	1.007	-0.472	5.631
OT	-0.183	0.639	2.191	2.266	1.007	-0.472	5.631
Off-Budget:							
BA							
OT							
Allowances (920):							
BA	-3.135	47.903	-10.368	-9.641	-9.193	-8.738	9.963
OT	-3.304	24.359	-2.845	-10.363	-13.636	-14.484	-16.969
Undistributed Offsetting Receipts (950):							
BA		2.895	3.515	7.384	4.881	5.921	24.596
OT		2.895	3.515	7.384	4.881	5.921	24.596
On-Budget:							
BA		2.884	3.505	7.375	4.873	5.914	24.551
OT		2.884	3.505	7.375	4.873	5.914	24.551
Off-Budget:							
BA							
OT							

TABLE 14.—FISCAL YEAR 2006 BUDGET RESOLUTION COMPARED TO 2005: TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2006–2010
Summary						
Total Spending:						
BA	82.416	159.004	290.426	423.526	539.832	1,495.204
OT	119.377	183.935	291.488	412.835	536.083	1,543.718
On-Budget:						
BA	64.933	128.717	244.205	360.002	457.535	1,255.392
OT	101.853	153.749	245.787	350.168	454.814	1,306.371
Off-Budget:						
BA	17.483	30.287	46.221	63.524	82.297	239.812
OT	17.524	30.186	45.701	62.667	81.269	237.347
Revenues:						
Total	137.335	273.711	438.592	577.165	726.899	2,153.702
On-Budget	105.934	209.295	340.280	444.692	559.932	1,660.133
Off-Budget	31.401	64.416	98.312	132.473	166.967	493.569
Surplus/Deficit (–):						
Total	17.958	89.776	147.104	164.330	190.816	609.984
On-Budget	4.081	55.546	94.493	94.524	105.118	353.762
Off-Budget	13.877	34.230	52.611	69.806	85.698	256.222
By Function						
National Defense (050):						
BA	–59.059	–35.361	–16.891	3.142	13.283	–94.886
OT	–21.593	–36.523	–26.193	–7.976	8.712	–83.573
International Affairs (150):						
BA	–0.367	2.750	3.112	3.152	2.843	11.490
OT	2.931	1.193	0.231	–0.051	–0.523	3.781
General Science, Space, and Technology (250):						
BA	0.322	0.758	1.132	1.438	1.749	5.399
OT	0.300	1.016	1.328	1.648	1.971	6.263
Energy (270):						
BA	0.583	–0.202	–0.119	–0.508	–0.810	–1.056
OT	1.233	0.418	–0.243	–0.142	–0.251	1.015
Natural Resources and Environment (300):						
BA	–2.014	–1.644	–1.575	–0.821	–1.279	–7.333
OT	1.108	0.878	1.234	1.495	1.086	5.801
Agriculture (350):						
BA	–0.671	–2.961	–4.817	–4.460	–4.734	–17.643
OT	–0.043	–2.551	–4.269	–3.754	–3.863	–14.480
Commerce and Housing Credit (370):						
BA	–6.832	–8.130	–6.564	–6.137	–2.539	–30.202
OT	–6.540	–7.773	–6.852	–7.534	–5.209	–33.908
On-Budget:						
BA	–6.032	–6.730	–6.764	–6.137	–2.239	–27.902
OT	–5.740	–6.373	–7.052	–7.534	–4.909	–31.608
Off-Budget:						
BA	–0.800	–1.400	0.200	.....	–0.300	–2.300
OT	–0.800	–1.400	0.200	.....	–0.300	–2.300
Transportation (400):						
BA	–2.499	–2.376	–2.005	–1.595	–0.252	–8.727
OT	2.690	4.718	6.464	7.797	9.653	31.322
Community and Regional Development (450):						
BA	–8.828	–8.811	–8.724	–8.586	–8.566	–43.515
OT	–2.295	–3.343	–5.029	–6.265	–6.616	–23.548
Education, Training, Employment and Social Services (500):						
BA	–2.023	–4.076	–4.021	–3.807	–4.349	–18.276
OT	–1.817	–2.438	–3.934	–4.435	–4.617	–17.241
Health (550):						
BA	4.682	17.751	37.541	59.644	79.054	198.672
OT	9.743	22.031	41.040	60.855	82.804	216.473
Medicare (570):						
BA	38.594	79.288	102.725	127.647	155.524	503.778

TABLE 14.—FISCAL YEAR 2006 BUDGET RESOLUTION COMPARED TO 2005: TOTAL SPENDING AND REVENUES—Continued
[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2006–2010
OT	37.357	78.580	101.777	126.241	154.855	498.810
Income Security (600):						
BA	8.161	13.359	26.286	35.472	44.533	127.811
OT	6.301	11.812	23.076	30.855	39.224	111.268
Social Security (650):						
BA	24.410	49.563	77.703	110.190	145.521	407.387
OT	24.451	49.462	77.183	109.333	144.493	404.922
On-Budget:						
BA	0.042	1.855	3.919	5.894	8.180	19.890
OT	0.042	1.855	3.919	5.894	8.180	19.890
Off-Budget:						
BA	24.368	47.708	73.784	104.296	137.341	387.497
OT	24.409	47.607	73.264	103.439	136.313	385.032
Veterans Benefits and Services (700):						
BA	-0.567	-3.127	.....	0.513	0.611	-2.570
OT	-0.725	-2.859	0.385	0.799	0.914	-1.486
Administration of Justice (750):						
BA	1.023	1.573	2.214	2.785	3.043	10.638
OT	2.767	2.962	3.149	3.278	3.302	15.458
General Government (800):						
BA	1.269	1.208	0.822	0.839	0.660	4.798
OT	0.652	0.343	-0.101	-0.278	-0.440	0.176
Net Interest (900):						
BA	37.037	77.155	103.752	120.620	134.630	473.194
OT	37.037	77.155	103.752	120.620	134.630	473.194
On-Budget:						
BA	42.537	91.855	129.252	158.220	185.230	607.094
OT	42.537	91.855	129.252	158.220	185.230	607.094
Off-Budget:						
BA	-5.500	-14.700	-25.500	-37.600	-50.600	-133.900
OT	-5.500	-14.700	-25.500	-37.600	-50.600	-133.900
Allowances (920):						
BA	51.038	-7.233	-6.506	-6.058	-5.603	25.638
OT	27.663	0.459	-7.059	-10.332	-11.180	-0.449
Undistributed Offsetting Receipts (950):						
BA	-1.832	-10.470	-13.630	-9.936	-13.480	-49.348
OT	-1.832	-11.595	-14.442	-9.311	-12.855	-50.035
On-Budget:						
BA	-1.258	-9.159	-11.376	-6.772	-9.343	-37.908
OT	-1.258	-10.284	-12.188	-6.147	-8.718	-38.595
Off-Budget:						
BA	-0.585	-1.321	-2.263	-3.172	-4.144	-11.485
OT	-0.585	-1.321	-2.263	-3.172	-4.144	-11.485

TABLE 15.—FISCAL YEAR 2006 BUDGET RESOLUTION COMPARED TO 2005: TOTAL SPENDING AND REVENUES
[Percentage change]

Fiscal year	2006	2007	2008	2009	2010
Summary					
Total Spending:					
BA	3.3	6.4	11.8	17.1	21.8
OT	4.9	7.5	11.9	16.8	21.9
On-Budget:					
BA	3.1	6.2	11.8	17.4	22.1
OT	5.0	7.5	12.0	17.1	22.2
Off-Budget:					
BA	4.4	7.6	11.5	15.9	20.5
OT	4.4	7.6	11.5	15.7	20.4
Revenues:					
Total	6.7	13.3	21.3	28.1	35.3
On-Budget	7.1	14.1	22.9	30.0	37.7
Off-Budget	5.5	11.2	17.1	23.1	29.1
Surplus/Deficit (—):					
Total	-4.6	-22.8	-37.4	-41.7	-48.5
On-Budget	-0.7	-9.8	-16.6	-16.6	-18.5
Off-Budget	7.9	19.6	30.1	39.9	49.0
By Function					
National Defense (050):					
BA	-11.8	-7.1	-3.4	0.6	2.7
OT	-4.3	-7.3	-5.3	-1.6	1.8
International Affairs (150):					
BA	-1.1	8.6	9.7	9.8	8.9
OT	9.1	3.7	0.7	-0.2	-1.6
General Science, Space, and Technology (250):					
BA	1.3	3.1	4.6	5.9	7.2
OT	1.3	4.3	5.6	7.0	8.4
Energy (270):					
BA	22.7	-7.9	-4.6	-19.8	-31.6
OT	155.3	52.6	-30.6	-17.9	-31.6
Natural Resources and Environment (300):					
BA	-6.2	-5.1	-4.8	-2.5	-3.9
OT	3.6	2.8	4.0	4.8	3.5
Agriculture (350):					
BA	-2.2	-9.8	-16.0	-14.8	-15.7
OT	-0.2	-8.9	-15.0	-13.1	-13.5
Commerce and Housing Credit (370):					
BA	-52.5	-62.5	-50.5	-47.2	-19.5
OT	-87.2	-103.6	-91.3	-100.4	-69.4
On-budget:					
BA	-35.9	-40.0	-40.3	-36.5	-13.3
OT	-50.8	-56.4	-62.4	-66.7	-43.4
Off-budget:					
BA	21.1	36.8	-5.3	.....	7.9
OT	21.1	36.8	-5.3	.....	7.9
Transportation (400):					
BA	-3.4	-3.3	-2.8	-2.2	-0.3
OT	4.0	7.0	9.5	11.5	14.3
Community and Regional Development (450):					
BA	-38.4	-38.3	-37.9	-37.3	-37.2
OT	-11.1	-16.1	-24.2	-30.2	-31.9
Education, Training, Employment and Social Services (500):					
BA	-2.2	-4.3	-4.3	-4.0	-4.6
OT	-2.0	-2.6	-4.2	-4.8	-5.0
Health (550):					
BA	1.8	6.9	14.6	23.2	30.7
OT	3.9	8.7	16.2	24.1	32.8
Medicare (570):					
BA	13.2	27.1	35.1	43.6	53.2
OT	12.7	26.8	34.7	43.0	52.7

TABLE 15.—FISCAL YEAR 2006 BUDGET RESOLUTION COMPARED TO 2005: TOTAL SPENDING AND REVENUES—Continued
[Percentage change]

Fiscal year	2006	2007	2008	2009	2010
Income Security (600):					
BA	2.4	3.9	7.8	10.5	13.1
OT	1.8	3.4	6.6	8.9	11.3
Social Security (650):					
BA	4.7	9.5	14.9	21.1	27.8
OT	4.7	9.5	14.8	21.0	27.8
On-budget:					
BA	0.3	11.7	24.7	37.2	51.6
OT	0.3	11.7	24.7	37.2	51.6
Off-budget:					
BA	4.8	9.4	14.6	20.6	27.1
OT	4.8	9.4	14.5	20.5	27.0
Veterans Benefits and Services (700):					
BA	-0.8	-4.5	.....	0.7	0.9
OT	-1.1	-4.2	0.6	1.2	1.3
Administration of Justice (750):					
BA	2.6	4.0	5.6	7.0	7.6
OT	7.0	7.5	8.0	8.3	8.4
General Government (800):					
BA	7.6	7.2	4.9	5.0	3.9
OT	3.7	1.9	-0.6	-1.6	-2.5
Net Interest (900):					
BA	20.9	43.6	58.6	68.2	76.1
OT	20.9	43.6	58.6	68.2	76.1
On-budget:					
BA	15.9	34.3	48.2	59.1	69.1
OT	15.9	34.3	48.2	59.1	69.1
Off-budget:					
BA	6.0	16.2	28.0	41.3	55.6
OT	6.0	16.2	28.0	41.3	55.6
Allowances (920):					
BA	-1,628.0	230.7	207.5	193.2	178.7
OT	-837.3	-13.9	213.7	312.7	338.4
Undistributed Offsetting Receipts (950):					
BA	2.8	16.0	20.9	15.2	20.7
OT	2.8	17.8	22.1	14.3	19.7
On-budget:					
BA	2.3	16.9	21.0	12.5	17.3
OT	2.3	19.0	22.5	11.4	16.1
Off-budget:					
BA	5.2	11.8	20.3	28.4	37.2
OT	5.2	11.8	20.3	28.4	37.2

Reconciliation

As permitted in section 310 of the Congressional Budget Act of 1974 (2 U.S.C. 641), the budget resolution provides for two reconciliation bills. The first instructs nine authorizing committees to reconcile and report changes in law necessary to achieve the direct spending and revenue levels provided for in the budget resolution. They must submit their legislative text to the Budget Committee by September 16, 2005. The second is an instruction to the Ways and Means Committee only, to reduce the level of revenue collected by the federal government by a specified amount (see Table 16 below for Reconciliation levels). The Ways and Means Committee must submit its legislative text to the full House by June 24, 2005.

Any committee receiving a reconciliation directive must increase or decrease spending by the specified amount, or in the case of revenue, increase or decrease revenue by the specified amount. (This last instruction is almost exclusively a directive to the Ways and Means Committee.) The committees may achieve the amounts specified in any manner they wish. When a directive is received, the committees hold a mark-up as they would on any other bill, but it is reported to the Budget Committee instead of to the House. The Budget Committee then binds all the submissions together and votes it out of committee as a single bill—the Budget Committee may not make any changes in the submitted text, except the ministerial task of binding it together. The committees being given directives are given a deadline for reporting their legislative text to the Budget Committee. If only one committee is reconciled to make changes, as in this case with the second reconciliation bill (only a directive to the Ways and Means Committee is included), it will report that measure directly to the House, not to the Budget Committee.

A reconciliation bill is protected in the Senate: It has an automatic time limit on debate and cannot be filibustered—hence passage only requires 51 votes. A provision that does not increase or decrease spending (or revenue) is considered extraneous and hence violates the Byrd Rule, and may be removed from the bill, unless 60 Senators vote to waive the point of order. Reconciliation does not apply to discretionary spending, which is controlled by the Appropriations Committees.

For the first reconciliation bill, the committees which must submit legislative language to the Budget Committee are as follows: Committee on Agriculture, Committee on Education and the Workforce, Committee on Energy and Commerce, Committee on Financial Services, Committee on the Judiciary, Committee on Resources, Committee on Transportation and Infrastructure, Committee on Veterans' Affairs, and the Committee on Ways and

Means. The committees may make whatever changes in the law they deem appropriate as long as they achieve the specified amount of outlay savings for fiscal year 2006 and for the period of fiscal years 2006 through 2010.

The second reconciliation bill is designed to allow provisions related to taxation to be moved under reconciliation procedures. The reconciliation instruction directs the Committee on Ways and Means to report, by June 24, 2005, a measure that will reduce taxes by \$16.623 billion for fiscal year 2006 and by \$45 billion from 2006 through 2010. No specific tax policies are assumed.

The following table indicates the amounts required from each reconciled committee:

TABLE 16.—RECONCILIATION INSTRUCTIONS TO HOUSE AUTHORIZING COMMITTEES

SUBMISSIONS TO SLOW THE GROWTH IN MANDATORY SPENDING AND TO ACHIEVE DEFICIT REDUCTION (DUE SEPTEMBER 16, 2005)

[By fiscal year in millions of dollars of outlays]

	2006	2006–2010
Committee on Agriculture	– 797	– 5,278
Committee on Education and the Workforce	– 2,097	– 21,410
Committee on Energy and Commerce	– 630	– 20,002
Committee on Financial Services	– 30	– 270
Committee on the Judiciary	– 123	– 603
Committee on Resources	– 96	– 1,413
Committee on Transportation and Infrastructure	– 12	– 103
Committee on Veterans Affairs	– 155	– 798
Committee on Ways and Means	– 3,907	– 18,680
Total	– 7,847	– 68,557

SUBMISSION PROVIDING FOR CHANGES IN REVENUE (DUE JUNE 24, 2005)

[Change in revenue by fiscal year in millions of dollars]

	2006	2006–2010
Ways and Means	– 16,623	– 45,000

Section-by-Section Description

The budget resolution establishes an overall budgetary framework, which includes aggregate levels of total new budget authority and outlays, total Federal revenues and the amount by which revenues should be changed, the surplus or deficit, new budget authority and outlays for each major functional category, the debt held by the public, the debt subject to the statutory limit, and directives to authorizing committees to submit legislation achieving specified changes in revenue and mandatory spending levels.

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006

Subsection (a), in accordance with section 301(a) of the Congressional Budget Act of 1974, revises the appropriate budgetary levels for the current year, fiscal year 2005, and establishes the levels for fiscal year 2006, and each of the four years following the budget year, fiscal years 2007 through 2010.

For fiscal year 2006, the budget resolution establishes a binding ceiling on spending and a floor on revenue. The accompanying report provides a lump-sum allocation of discretionary spending authority that the Committee on Appropriations, in turn, distributes to its 10 subcommittees (plus an allocation for the Legislative Branch) for spending on the various programs, projects and activities that need to be funded on an annual basis through appropriations measures.

The budget resolution also updates the fiscal year 2005 spending levels to take into account any variations in spending or revenue laws after the fiscal year 2005 budget resolution was deemed to be adopted. The report also includes revised allocations to the relevant committees for legislation that would be effective in the current fiscal year.

The 5-year period of fiscal years 2006 through 2010 is important because bills that increase direct spending are subject to 5-year allocations for the period of fiscal years 2006 through 2010. This is also the case with revenues.

Subsection (b) sets out the table of contents of the resolution.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SECTION 101. RECOMMENDED LEVELS AND AMOUNTS

Consistent with section 301 of the Congressional Budget Act of 1974, this section establishes the recommended levels for revenue, reduction in revenue, total new budget authority, total budget outlays, surpluses or deficits, debt held by the public, and the debt subject to the statutory limit. The recommended level of revenue

operates as a floor against which all revenue bills are measured pursuant to section 311 of the Budget Act. Similarly, the recommended levels of new budget authority and budget outlays serve as a ceiling on the consideration of subsequent spending. The surplus and deficit levels reflect only on-budget outlays and revenue and hence do not reflect most outlays and receipts related to the Social Security program and certain Postal Service operations. The debt subject to statutory limit aggregate refers to the portion of gross Federal debt issued by the Treasury to the public or another government fund or account, whereas the debt held by the public is the amount of debt issued and held by entities or individuals other than the U.S. Government.

SECTION 102. MAJOR FUNCTIONAL CATEGORIES

As further required by section 301(a) of the Budget Act, section 102 establishes the appropriate budgetary levels for the functional categories for the current fiscal year, 2005, the budget year, fiscal year 2006, and fiscal years 2006 through 2010.

The functions are as follows:

- 050 National Defense
- 150 International Affairs
- 250 General Science, Space, and Technology
- 270 Energy
- 300 Natural Resources and Environment
- 350 Agriculture
- 370 Commerce and Housing Credit
- 400 Transportation
- 450 Community and Regional Development
- 500 Education, Training, Employment, and Social Services
- 550 Health
- 570 Medicare
- 600 Income Security
- 650 Social Security
- 700 Veterans Benefits and Services
- 750 Administration of Justice
- 800 General Government
- 900 Net Interest
- 920 Allowances
- 950 Undistributed Offsetting Receipts

TITLE II—RECONCILIATION

SECTION 201. GENERAL RECONCILIATION

As permitted in section 310 of the Congressional Budget Act of 1974, the budget resolution includes reconciliation instructions to specified committees of the House of Representatives. These instructions require the committees to report legislative text to amend laws in their jurisdiction. These recommendations are submitted to the Budget Committee which then binds them together and votes whether to report them, without substantive change, to the full House. Where only one committee is given a reconciliation instruction to be included in a single bill, that legislation may be reported directly to the full House.

Section 201(a) directs nine committees to report changes in programs within their jurisdiction to the Budget Committee by September 16, 2005. The committees that must submit legislative language to the Budget Committee are as follows: Committee on Agriculture, Committee on Education and the Workforce, Committee on Energy and Commerce, Committee on Financial Services, Committee on the Judiciary, Committee on Resources, Committee on Transportation and Infrastructure, Committee on Veterans' Affairs, and Committee on Ways and Means. Though the committee determines the policy and program changes, outlay savings must be in the mandatory spending category. For instance, a reduction in an authorization level for spending subject to annual appropriations is categorized as discretionary spending and would not be estimated as producing mandatory savings as the reconciliation process requires. (Please see Table 16 in the Reconciliation section of this report for the specific amounts in savings that must be reported to the Budget Committee by each reconciled committee.)

The committees may make whatever changes in the law they deem appropriate as long as they achieve the specified amount of outlay savings for fiscal year 2006 and for the period of fiscal years 2006 through 2010. For instance, the Committee on Ways and Means has indicated that it might consider legislation that adopts the President's recommendations to recover overissuances within the Unemployment Insurance [UI] program through tax refund offsets, greater use of collection agencies, and sanctions on firms that cause overissuances by not cooperating with state UI program administrators in determining initial eligibility for benefits.

Section 201(b) directs that, by June 24, 2005, the Ways and Means Committee must report directly to the floor of the House a bill that may allow for making permanent expiring tax relief. Such legislation must reduce revenue by no more than \$16.623 billion in fiscal year 2006 and by no more than \$45 billion over the 2006–2010 period. This decrease may be in whatever priorities the Ways and Means Committee determines, though it does not include other revenue changes that are reflected in the revenue aggregates which would have to be considered outside of reconciliation.

TITLE III—CONTINGENCY PROCEDURE

SECTION 301. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION

This section provides for an increase above the levels provided for in the budget resolution should the Transportation and Infrastructure Committee and the Appropriations Committee report certain kinds of legislation or spending measures, and which includes offsets for the additional spending. The language in the resolution regarding this contingency measure is identical to that included in the budget resolution for fiscal year 2005. A comprehensive transportation measure is expected to be enacted some time before the end of fiscal year 2005 and the Budget Committee expects to work closely with the Transportation and Infrastructure Committee as that measure proceeds through the legislative process.

Subsection (a) creates a reserve fund that allows the Chairman of the House Budget Committee to adjust the allocation of budget

authority to the Committee on Transportation and Infrastructure for any measure that reauthorizes surface transportation programs and provides new BA for highway and transit spending.

Subsection (b) creates a reserve fund that allows the Chairman of the House Budget Committee to adjust the allocation of outlays to the Committee on Appropriations for any measure that sets total obligation limitations higher than the amount assumed in the resolution.

TITLE IV—BUDGET ENFORCEMENT

SECTION 401. EMERGENCY LEGISLATION

Section 401 provides Congress with the authority to designate spending provisions as “emergencies.” It adopts criteria for evaluating emergency spending. It also exempts from budget controls supplemental appropriations for the Department of Defense for contingency operations related to the global war on terrorism.

Section 401(a) provides a special exemption from budget controls for a supplemental spending measures for “contingency operations related to the global war on terrorism.” The fiscal year 2005 levels have been adjusted to accommodate \$81.1 billion for the current year. Though \$50 billion has been budgeted for fiscal year 2006 in the budget resolution for this purpose, the exact final amount has yet to be determined. The final level of the supplemental will depend on the President’s request and the responses of the Appropriations Committees of the House and the Senate.

Subsection (b) exempts spending designated as an emergency from points of order, estimates and other provisions of the Congressional Budget Act. This is largely the same procedure as was included in the budget resolution from fiscal year 2005, H. Con. Res. 393. Instead of adjusting the allocations and budget aggregates by the amount designated as an emergency, as was the case prior to the expiration of the emergency designation at the end of fiscal year 2002, subsection (b) provides that the spending (or receipts) resulting from such a provision will not be counted for purposes of determining whether a measure complies with the budget resolution. This is consistent with the congressional scoring conventions prior to the Balanced Budget Act of 1997. Assuming a measure that includes this emergency designation is otherwise in compliance with the budget resolution, it would not be subject to a point of order under sections 302(f), 303(a), 311(a) or 401 of the Congressional Budget Act of 1974.

Committees reporting a measure that designates spending as an emergency should include in the accompanying report, or the conference committee in the joint statement of managers, a statement justifying the emergency designation on the basis of the following criteria:

“[T]he underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to [an exception for an aggregate level of anticipated emergencies], unforeseen, unpredictable, and unanticipated; and
 (iv) not permanent, temporary in nature.”

This definition was adapted from criteria developed by previous administrations as part of an OMB Circular (A-11) on the preparation and submission of budget estimates.

The subsection continues the practice of allowing the provisions designated as emergencies to be exempt from the budget controls and points of orders of the Congressional Budget Act.

SECTION 402. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990

This section provides authority to include the administrative expenses related to Social Security in the allocation to the Appropriations Committee. This language is necessary to ensure that the Appropriations Committee retains control of administrative expenses through the Congressional budget process.

In the 106th Congress, the joint Leadership of the House and Senate Budget Committees decided to discontinue including administrative expenses in the budget resolution. This change was intended to make the budget resolution consistent with the Congressional Budget Office’s baseline which does not include administrative expenses for Social Security.

At the same time, the House Budget Committee believed that these expenses should continue to be reflected in the 302(a) allocations to the Appropriations Committee. Absent a waiver of section 302(a) of the Budget Act, the inclusion of these expenses in the allocation is construed as violating 302(a) of the Budget Act which states that the allocations must reflect the discretionary amounts in the budget resolution (and arguably, section 13301 of the Budget Enforcement Act, which states that Social Security benefits and revenues are off-budget).

SECTION 403. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES

This section sets forth the procedures for making adjustments in this resolution. Subsection (a)(1) and (2) provide that the adjustments may only be made during the interval that the legislation is under consideration and do not take effect until the legislation is actually enacted. This is consistent with the procedures for making adjustments for various initiatives under section 314 of the Congressional Budget Act.

Subsection (a)(3) provides that in order to make any adjustments, the Chairman of the House Budget Committee is directed to insert these adjustments in the *Congressional Record*.

Subsection (b) clarifies that any adjustments made under the resolution have the same effect as if they were part of the original levels set forth in section 101. Therefore the adjusted levels are used to enforce points of order against legislation inconsistent with the allocations and aggregates included in the concurrent resolution on the budget.

Subsection (c) clarifies that the House Budget Committee determines the levels and estimates used to enforce points of order, as is the case for enforcing budget-related points of order. This section

of the Budget Act provides the Chairman of the Budget Committee with the authority to advise the Presiding Officer of the House on the appropriate levels and estimates related to legislation being considered on the floor.

SECTION 404. RESTRICTIONS ON ADVANCE APPROPRIATIONS

Section 404 imposes a limitation on advance appropriations similar to a provision included in the last several budget resolutions. It effectively limits which programs may receive an advance appropriation and an overall amount of advanced appropriations.

The section includes a general restriction that limits the programs that may receive an advance appropriation and the total level of such appropriations. Advance appropriations may be provided for the accounts in appropriation bills identified under the section "Accounts Identified Advanced Appropriations" in the Joint Statement of Managers on the Conference Report on the Budget Resolution. The list is expected to be the same as that which appears in this report in the section "Additional Report Language" and with the same heading. Total advance appropriations for these accounts may not exceed \$23.568 billion in budget authority. The amount is essentially the same as provided in previous budget resolutions, but it was adjusted to reflect advance appropriations provided for any year.

The section defines an "advance appropriation" as any new discretionary budget authority making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

The limitation may be enforced by any member making a point of order at the appropriate time against any advance appropriations not falling within an exception or exceeding the overall limit. The effect of a point of order under this section, if sustained by the Chair, is to cause the appropriation(s) to be stricken from the bill or joint resolution. The bill itself, however, would continue to be considered in the House.

SECTION 405. SPECIAL RULE IN THE HOUSE FOR CERTAIN 302(B) SUBALLOCATIONS

Under section 302(b) of the Congressional Budget Act of 1974, the Appropriations Committee suballocates its section 302(a) allocation among its various subcommittees. The recent reorganization of the House Appropriations subcommittees, however, eliminated the subcommittee responsible for legislative branch appropriations. So that the House Appropriations Committee can report a bill providing legislative branch appropriations and then go to conference with the Senate on that bill, a special rule is required that allows the House Appropriations Committee to make a deemed section 302(b) suballocation for legislative branch operations.

Section 405 provides the House Appropriations Committee with the authority to make a separate suballocation for the purpose of funding legislative branch operations. The suballocation authorized by this section is deemed to be made under section 302(b) of the Congressional Budget Act of 1974 for budget enforcement purposes.

SECTION 406. SPECIAL PROCEDURES TO ACHIEVE SAVINGS IN
MANDATORY SPENDING THROUGH FY2014

The Budget Committee is concerned about the growth of mandatory spending, which now accounts for about 55 percent of Federal spending (excluding interest). Growth in mandatory spending is crowding out other national priorities; and because mandatory spending is not subject to annual appropriations, it is inherently difficult for Congress to exercise control over such spending. Spending growth generally is based on formulas that take into account such factors as population growth, economic growth, inflation, and spending increases happen automatically without any action by Congress. Congress should review mandatory spending on a regular basis, and should consider using the reconciliation process periodically to control the growth of mandatory spending.

Section 406 describes the sense of Congress that during the four fiscal years following the budget year, every other concurrent resolution on the budget should include reconciliation instructions to authorizing committees to achieve significant savings in mandatory spending.

The Congressional Budget Process

The spending and revenue levels established in the budget resolution are executed through two parallel, but separate, mechanisms: allocations to the appropriations and authorizing committees, and reconciliation directives to the authorizing committees. The budget resolution may include instructions directing the authorizing committees to report legislation complying with entitlement, revenue, deficit or debt reduction targets. The report accompanying the budget resolution distributes or “allocates” amounts set forth in the budget aggregates for programs, projects and activities to the Appropriations Committee for annual appropriations and the authorizing committees if the programs have permanent or multi-year spending authority. For fiscal year 2006 the budget resolution reported by the Budget Committee includes certain reconciliation instructions.

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 are enforced through points of order as discussed in the section “Enforcing the Budget Resolution.” Amounts provided under “current law” encompass programs that affect direct spending-entitlement and other programs that have spending authority or offsetting receipts. Amounts subject to discretionary action refer to programs that require subsequent legislation to provide the necessary spending authority. Amounts provided under “reauthorizations” reflect amounts assumed to be provided in subsequent legislation reauthorizing expiring mandatory programs.

The report accompanying the budget resolution provides allocations of budget authority and outlays for each of the authorizing committees for the current year (fiscal year 2005), the budget year (fiscal year 2006), and the 5-year period (fiscal years 2006 through 2010). Section 302 of the Congressional Budget Act of 1974 (as modified by the Balanced Budget Act of 1997) requires that allocations of budget authority be provided in the budget resolution for the first fiscal year and at least the four ensuing fiscal years (except for the Committee on Appropriations, which receives an allocation only for the budget year).

APPROPRIATIONS COMMITTEE

The report accompanying the budget resolution allocates a lump sum of discretionary budget authority assumed in the resolution and corresponding outlays to the Committee on Appropriations.

TERM OF THE 302(A) ALLOCATION

The allocation to the Appropriations Committee is for the fiscal year commencing on October 1, 2005. Unlike the authorizing committees, the Appropriations Committee does not receive a 5-year allocation of budget authority and outlays.

302(B) ALLOCATION

Upon receiving its 302(a) allocation, the Appropriations Committee is required to divide the allocation among its 10 subcommittees and, under the fiscal year 2006 budget resolution, legislative branch operations. The amount each subcommittee receives constitutes its allocation pursuant to section 302(b) of the Congressional Budget Act.

AUTHORIZING COMMITTEES

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

TERM OF THE 302(A) ALLOCATION

Because the spending authority for the authorizing committees is multi-year or permanent, the allocations are for the forthcoming budget year commencing on October 1 and a 5-year total for fiscal years 2006 through 2010.

Unlike the Appropriations Committee, the authorizing committees are provided a single allocation of new budget authority (divided between current law and discretionary action) that is not provided through annual appropriations. They are not required to file 302(b) allocations. Bills first effective in fiscal year 2005 will be measured against the revised level for that year included in the fiscal year 2006 budget resolution, and also the 5-year period of fiscal year 2005 through 2009. Bills first effective in fiscal year 2006 will be measured against the level of the budget year, fiscal year 2006, and also the 5-year period of fiscal year 2006 through 2010.

ADJUSTMENTS

In addition to the adjustments made under the Congressional Budget Act, the budget resolution also provides the Chairman of the House Budget Committee with the authority to make certain adjustments in the aggregates and allocations, in certain circumstances.

In section 301, the Chairman of the House Budget Committee is given the authority to make adjustments in the allocation of budget authority to the Committee on Transportation and Infrastructure for a measure increasing highway spending, but only if it is offset by changes in law either in that measure, or in previously enacted legislation. The changes in law must dedicate the additional re-

sources to the Highway Trust Fund. Under the terms of this procedure, the chairman may also adjust the allocation of outlays to the Appropriations Committee in order to provide for the higher outlays flowing from the mandatory budget authority in the Transportation Committee's measure, and subject to the obligation limits included in the Transportation Appropriation measure. Most discretionary spending is implemented by appropriating budget authority, but in the Highway Category, budget authority is provided on the mandatory side. Outlays from this budget authority are discretionary and may be restricted through the use of obligation limits included in appropriation acts. Again, these increased outlays must be offset by the changes in law included either in the Transportation Committee's measure, or previously enacted legislation.

The statutory authority for the Chairmen of the Budget Committees to make adjustments for emergencies and a variety of other purposes has expired. Before the expiration, emergencies could be designated in legislation, and the Chairman of the Budget Committee adjusted the reporting committee's allocation by that amount, so the additional spending could be considered without being subject to spending points of order. Because this authority is no longer in force, this budget resolution provides for a revised method of treating emergency spending. Under its terms, rather than adjusting the allocations and aggregates to reflect the additional spending, spending provisions designated as emergencies pursuant to section 401 of this resolution are exempt from points of order under the Congressional Budget Act and are not counted toward the reporting committees allocation.

ENFORCEMENT

In order to enforce these allocations, Members may raise a point of order against spending legislation exceeding a committee's allocation (see the section titled "Enforcing the Budget Resolution" in this report). Authorizing committees are given 5-year allocations. The enforcement periods for spending under section 302(f) of the Congressional Budget Act are for the first year the legislation is effective, and the 5-year period commencing with that year.

RECONCILIATION

Section 310 of the Congressional Budget Act (2 U.S.C. 641) permits the budget resolution to provide for a reconciliation process. Under reconciliation, one or more committees are directed to make changes in the laws in their jurisdiction to achieve a specified increase or decrease in either budget authority or revenue. A reconciliation bill is protected in the Senate: It has an automatic time limit on debate and cannot be filibustered—hence passage only requires 51 votes. A provision that does not increase or decrease spending (or revenue) is considered extraneous and hence violates the section of the Budget Act commonly known as the Byrd Rule, and may be removed from the bill, unless 60 Senators vote to waive the point of order. Reconciliation does not apply to discretionary spending, which is controlled by the Appropriations Committee. For a full description of the reconciliation instructions included in the

budget resolution, see the section titled “Reconciliation” included in this report.

TABLE 17.—ALLOCATION OF SPENDING AUTHORITY TO HOUSE APPROPRIATIONS COMMITTEE
 [By fiscal year in millions of dollars]

	2005	2006
Discretionary Action:		
BA	840,036	843,020
OT	929,554	917,053
Current Law Mandatory:		
BA	483,881	528,504
OT	460,908	510,843

TABLE 18.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS

	2005	2005–2009	2006	2006–2010
Agriculture Committee:				
Current Law:				
BA	25,410	101,716	25,882	82,931
OT	25,320	101,173	25,244	82,359
Reconciliation:				
BA			– 790	– 5,268
OT			– 797	– 5,278
Reauthorizations:				
BA		82,160		131,495
OT		80,586		129,886
Armed Services Committee:				
Current Law:				
BA	85,355	473,465	91,209	494,600
OT	85,245	473,045	91,129	494,215
Committee on Education and the Workforce:				
Current Law:				
BA	9,726	47,046	9,080	47,155
OT	9,564	46,462	8,215	47,512
Reconciliation:				
BA			– 2,057	– 20,045
OT			– 2,097	– 21,410
Reauthorizations:				
BA		11,219	2,720	14,657
OT		8,797	1,088	12,061
Energy and Commerce Committee:				
Current Law:				
BA	161,936	1,155,178	207,337	1,293,242
OT	161,946	1,157,483	207,955	1,295,935
Discretionary Action:				
BA		902	100	1,125
OT		902	100	1,125
Reconciliation:				
BA			247	– 18,532
OT			– 630	– 20,002
Reauthorizations:				
BA		10,080		15,120
OT		5,985		10,845
Financial Services Committee:				
Current Law:				
BA	5,364	17,669	3,193	15,258
OT	3,218	– 2,737	– 116	– 8,873
Reconciliation:				
BA			– 60	– 300
OT			– 30	– 270
Government Reform Committee:				
Current Law:				
BA	70,524	382,713	73,531	398,024
OT	69,395	369,316	70,624	382,349
Discretionary Action:				
BA		62	56	62
OT		62	56	62
Committee on House Administration:				
Current Law:				
BA	77	370	72	366
OT	20	325	15	323
Committee on Homeland Security:				
Current Law:				
BA	1,217	6,054	1,262	6,051
OT	1,109	6,057	1,157	6,205
International Relations Committee:				
Current Law:				
BA	10,782	61,081	11,532	63,726
OT	11,051	59,403	11,939	60,966

TABLE 18.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS—Continued

	2005	2005–2009	2006	2006–2010
Judiciary Committee:				
Current Law:				
BA	5,192	27,201	6,516	27,237
OT	5,159	26,993	5,661	26,957
Discretionary Action:				
BA		21	3	27
OT		21	3	27
Reconciliation:				
BA			–120	–600
OT			–123	–603
Resources Committee:				
Current Law:				
BA	5,612	24,776	5,245	22,912
OT	4,354	22,534	4,699	22,350
Discretionary Action:				
BA		26	8	32
OT		26	8	32
Reconciliation:				
BA			–660	–2,369
OT			–96	–1,413
Science Committee:				
Current Law:				
BA	119	604	131	606
OT	79	442	80	467
Discretionary Action:				
BA		170	15	241
OT		170	15	241
Small Business Committee:				
Current Law:				
BA	1,702	1,702		
OT	1,702	1,702		
Transportation and Infrastructure Committee:				
Current Law:				
BA	41,675	104,284	17,141	77,176
OT	11,526	67,912	14,097	71,000
Discretionary Action:				
BA		14,694	950	21,133
OT				
Reconciliation:				
BA			–12	–100
OT			–12	–103
Reauthorizations:				
BA	14,449	195,237	43,347	227,835
OT	58	1,955	262	2,515
Veterans' Affairs Committee:				
Current Law:				
BA	2,162	7,265	1,293	6,327
OT	2,191	7,438	1,353	6,498
Reconciliation:				
BA			–155	–798
OT			–155	–798
Reauthorizations:				
BA		5,890	558	9,011
OT		5,726	538	8,796
Ways and Means Committee:				
Current Law:				
BA	653,760	3,797,949	690,355	4,069,706
OT	656,071	3,804,591	692,641	4,074,287
Discretionary Action:				
BA	3	91	24	101
OT	3	91	24	101
Reconciliation:				
BA			–3,947	–19,047

TABLE 18.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS—Continued

	2005	2005-2009	2006	2006-2010
OT			- 3,907	- 18,680
Reauthorizations:				
BA	7,954	89,139	19,622	102,030
OT	5,681	84,462	17,299	99,617

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 revenue are binding on the Congress when it considers subsequent spending and tax legislation. Legislation breaching the levels set forth in the budget resolution is subject to points of order on the floor of the House of Representatives.

Any Member of the House may raise a point of order against any tax or spending bill that breaches 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.

Though these points of order are important for budgetary discipline, in the House they may be waived by the resolution which structures rules for debate on legislation and appropriations measures that come before it for consideration. The House Budget Committee believes it is important to augment these congressional enforcement tools with statutory controls. Such controls were in place as part of the Budget Enforcement Act of 1997 (BEA), which expired at the end of 2002.

The major Budget Act requirements are as follows:

Section 302(f)

Section 302 of the Congressional Budget Act prohibits the consideration of legislation that exceeds a committee's allocation of new budget authority. Section 302(f) applies to the budget year and the 5-year total for authorizing committees. For appropriations bills, however, it applies only to the budget year. The budget year is the first fiscal year to which a concurrent resolution on the budget applies. An exception is provided for legislation that is offset by tax increases above and beyond those required by the budget resolution.

Section 303(a)

This section prohibits the 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 a year following the first fiscal year to which a budget resolution applies, or to appropriation bills after May 15.

Sections 308(b)(2), 311(c) and 312

Under sections 308(b)(2), 311(c) and 312 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.

Section 311(a)(1)

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

Section 401(a)

This section of the Congressional Budget Act prohibits the consideration of legislation providing borrowing authority, new credit authority, or contract authority not subject to discretionary appropriations.

Section 401(b)(1)

This section prohibits the consideration of legislation creating new entitlement authority in the year preceding the budget year. It does not apply to trust funds primarily financed by earmarked taxes.

Votes of the Committee

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 2006.

On March 9, 2005 the committee met in open session, a quorum being present.

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

There was no objection to the unanimous consent request.

Chairman Nussle asked unanimous consent to dispense with the first reading of the budget aggregates, function levels, and other appropriate matter; that the aggregates, function totals, and other appropriate matter be open for amendment at any point; and that amendments be considered as read.

There was no objection to the unanimous consent requests.

The committee adopted and ordered reported the Concurrent Resolution on the Budget for Fiscal Year 2006. The following votes were taken by the committee:

1. An amendment was offered by Mr. Bradley to increase function 700 to reflect higher funding for discretionary Veterans' programs by the following amounts: budget authority \$229,000,000 for fiscal year 2006, \$229,000,000 for fiscal year 2007, \$229,000,000 for fiscal year 2008, \$229,000,000 for fiscal year 2009, \$229,000,000 for fiscal year 2010; outlays \$91,000,000 for fiscal year 2006, \$185,000,000 for fiscal year 2007, \$211,000,000 for fiscal year 2008, \$221,000,000 for fiscal year 2009, \$227,000,000 for fiscal year 2010.

The amendment also decreased funding in function 150 to reflect lower funding for international aid programs by the following amounts: \$229,000,000 for fiscal year 2006, \$229,000,000 for fiscal year 2007, \$229,000,000 for fiscal year 2008, \$229,000,000 for fiscal year 2009, \$229,000,000 for fiscal year 2010, outlays \$91,000,000 for fiscal year 2006, \$185,000,000 for fiscal year 2007, \$211,000,000 for fiscal year 2008, \$221,000,000 for fiscal year 2009, \$227,000,000 for fiscal year 2010.

The amendment was agreed to by voice vote.

2. An amendment offered by Representatives Moore, Cooper, Capps, Davis, Case, Schwartz, Kind, Edwards, and Baird. The amendment provides for a Pay-As-You-Go Point of Order in the House against tax and direct spending legislation, to be in effect

until the Social Security program no longer transfers a surplus of receipts over benefit payments to the general fund of the Federal Government.

The amendment was not agreed to by a roll call vote of 14 ayes and 21 noes.

VOTE NO. 2

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN			
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN				Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

3. An amendment offered by Representative Case to establish a 10-year budget resolution. It would provide budget authority, outlays, revenue, deficit, and debt levels for years 2011 through 2015 in the following amounts: budget authority \$3,152,300,000 for fiscal year 2011, \$3,256,700,000 for fiscal year 2012, \$3,421,900,000 for fiscal year 2013, \$3,588,500,000 for fiscal year 2014, \$3,766,000,000 for fiscal year 2015; outlays \$3,133,300,000 for fiscal year 2011, \$3,227,900,000 for fiscal year 2012, \$3,396,300,000 for fiscal year 2013, \$3,560,300,000 for fiscal year 2014, \$3,737,100,000 for fiscal year 2015; revenue for \$2,928,600,000,000 in fiscal year 2011,

\$3,102,700,000,000 for 2012, \$3,265,900,000,000 for fiscal year 2013, \$3,437,300,000,000 for fiscal year 2014, \$3,616,600,000,000 for 2015; deficits –\$204,800,000,000 for 2011, –\$125,200,000,000 for fiscal year 2012, –\$130,500,000,000 for 2013, –\$123,000,000,000 for 2014, –\$120,500,000,000 for 2015; debt held by the public \$6,320,000,000,000 for 2011, \$6,452,000,000,000 for 2012, \$6,589,000,000,000 for fiscal year 2013, \$6,716,000,000,000 for fiscal year 2014, \$6,839,000,000,000 for fiscal year 2015.

The amendment was not agreed to by a roll call vote of 14 ayes and 21 noes.

VOTE NO. 3

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN				Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR			
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

4. An amendment offered by Representatives Edwards, Moore, DeLauro, Ford, Capps, Baird, Allen, Case, Kind, Schwartz, and Cuellar to increase funding for veterans' healthcare. The amendment increases discretionary budget authority and outlays for func-

tion 700 by the following amounts to reflect an increase in funding for veterans' health care: budget authority \$1,586,000,000 for fiscal year 2006, outlays \$1,335,000,000 for fiscal year 2006, \$182,000,000 for fiscal year 2007, \$40,000,000 for fiscal year 2008, \$13,000,000 for fiscal year 2009, \$2,000,000 for fiscal year 2010.

The amendment strikes the reconciliation instructions, Section 201(a)(2)(J), to the House Veterans' Affairs Committee. It would adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes outlined above, would be dedicated to reduce the deficit.

The amendment was not agreed to by a roll call vote of 15 ayes and 20 noes.

VOTE NO. 4

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD	X		
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER			
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN				Ms. MCKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS				Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. CONAWAY		X					

5. An amendment offered by Representatives Ford, Edwards, Capps, Davis, Jefferson, Allen, Case, McKinney, Cuellar, Schwartz, and Kind to increase budget authority and outlays for function 500 by the following amounts to reflect investment in education programs: budget authority \$4,500,000,000 for fiscal year 2006; outlays \$435,000,000 for fiscal year 2006, \$3,315,000,000 for fiscal year 2007, \$690,000,000 for fiscal year 2008, \$60,000,000 for fiscal year 2009.

The amendment was not agreed to by voice vote.

6. An amendment offered by Representatives Capps, DeLauro, Davis, Allen, and Case to protect Medicaid.

The amendment strikes Section 201(a)(2)(C), Reconciliation instructions to the House Committee on Energy and Commerce, and changes the amounts of budget authority and outlays in each function as applicable (by the amount of money restored by striking such section) and in aggregate.

The aggregate level of revenues is adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes outlined above, would reduce the deficit.

The amendment was not agreed to by a roll call vote of 15 ayes and 21 noes.

VOTE NO. 6

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN				Ms. MCKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

7. An amendment to the Chairman's Mark offered by Representatives Edwards, Moore, Capps, Case, McKinney, and Kind to support the troops.

The amendment increases discretionary budget authority and outlays for function 050 to reflect the following policies: (1) Adding \$164 million to increase the maximum Servicemembers' Group Life Insurance (SGLI) coverage to \$400,000 and pay premiums for those in combat; (2) adding \$110 million to increase the death gratuity to \$100,000; (3) adding \$375 million to fully fund the requirement for Army recruitment and retention bonuses; (4) adding \$350 million for targeted pay raises for senior enlisted personnel; (5) increasing funds to finance the unfunded requirement for Guard and Reserve family support centers, which totals \$45 million; and (6) adding \$23 million to finance the unfunded requirement for Community Based Health Care Organizations to allow injured Guard and Reservists to recuperate closer to their homes. The adjustment in the function level reflects the following amounts: budget authority \$1,067,000,000 for fiscal year 2006; outlays \$1,010,000,000 for fiscal year 2006, \$48,000,000 for fiscal year 2007, \$4,000,000 for fiscal year 2008, \$2,000,000 for fiscal year 2009.

Adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations.

The amendment was not agreed to by a roll call vote of 15 ayes and 22 noes.

VOTE NO. 7

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

8. An amendment offered by Representatives DeLauro, Davis, Jefferson, Case, and McKinney to “protect working families and vulnerable individuals.” The amendment increases budget authority and outlays for function 600 by the following amounts to reflect funding to: increase the number of low-income working families who receive child care assistance for which they are eligible through the Child Care and Development Fund; increase spending on the current level of services in the Low-Income Home Energy Assistance Program; and increase spending on the current level of services for the HOPE VI program, the public housing capital fund, and housing for persons with disabilities. The amount of the adjustment is as follows: budget authority \$2,020,000,000 for fiscal year 2006; outlays \$974,000,000 for fiscal year 2006, \$369,000,000 for fiscal year 2007, \$213,000,000 for fiscal year 2008, \$154,000,000 for fiscal year 2009, \$131,000,000 for fiscal year 2010.

The amendment strikes Section 201(a)(2)(K), reconciliation instructions to the House Committee on Ways and Means, and changes the amounts of budget authority and outlays in each func-

tion as applicable (by the amount of money restored by striking such section) and in aggregate.

The aggregate level of revenues is adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by a roll call vote of 15 ayes and 22 noes.

VOTE NO. 8

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

9. An amendment offered by Representatives Allen, Schwartz, DeLauro, Moore, Capps, Case, Kind and Cuellar to negotiate lower Medicare drug prices. The amendment provided for a reserve fund

for the savings attributable to allowing the Secretary of the Department of Health and Human Services to negotiate lower drug prices for Medicare. Such saving would be used to reduce beneficiary cost-sharing for the drug benefit or for deficit reduction.

The amendment was not agreed to by a roll call vote of 15 ayes and 22 noes.

VOTE NO. 9

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

10. An amendment offered by Representatives Allen, Schwartz, Capps, Jefferson, Case, McKinney, Cuellar, and Kind to provide health coverage for the uninsured.

The aggregate level of revenues would be adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. The amendment would

assume \$4.5 billion in fiscal year 2006 and \$32.7 billion for fiscal years 2006 through 2010 to provide health insurance coverage to uninsured populations. These funds would be assumed to be available for the expansion of Medicaid and State Children's Health Insurance Program.

The amendment was not agreed to by a roll call vote of 12 ayes and 21 noes.

VOTE NO. 10

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE			
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER			
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON			
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)				Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

11. An amendment offered by Representatives Schwartz, DeLauro, Capps, Jefferson, and Case to "strengthen Homeland Security" by increasing discretionary budget authority and outlays for function 450 by the following amounts: budget authority \$560,000,000 for fiscal year 2006; outlays \$56,000,000 for fiscal year 2006, \$207,000,000 for fiscal year 2007, \$174,000,000 for fiscal year 2008, \$123,000,000 for fiscal year 2009.

The amendment also would increase discretionary budget authority and outlays for function 050 by the following amounts to reflect additional funding for the Cooperative Threat Reduction Program: budget authority \$200,000,000 for fiscal year 2006; outlays \$56,000,000 for fiscal year 2006, \$45,000,000 for fiscal year 2007, \$45,000,000 for fiscal year 2008, \$35,000,000 for fiscal year 2009, \$10,000,000 for fiscal year 2010.

The aggregate level of revenues is adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations.

The amendment was not agreed to by a roll call vote of 13 ayes and 22 noes.

VOTE NO. 11

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE			
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER			
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

12. An amendment offered by Representatives Capps, Kind, Allen, Case, and Schwartz to “restore the commitment to environmental protection and conservation.” The amendment increases the budget authority and outlays for function 300 by the following amounts to reflect increases in funding for natural resources and environmental protection programs: budget authority \$1,929,000,000 for fiscal year 2006; outlays \$595,000,000 for fiscal year 2006, \$488,000,000 for fiscal year 2007, \$416,000,000 for fiscal year 2008, \$225,000,000 for fiscal year 2009, \$149,000,000 for fiscal year 2010.

Adjust the aggregate level of revenues by \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by a roll call vote of 15 ayes and 21 noes.

VOTE NO. 12

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. MCKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS				Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

13. An amendment offered by Representatives Davis, Case, McKinney, Cuellar, and Kind to "protect rural America." The amendment increases budget authority and outlays for function 450 by the following amounts to fund Economic Development Assistance programs, the Brownsfields Redevelopment program, and Rural Empowerment Zones: budget authority \$523,000,000 for fiscal year 2006; outlays \$238,000,000 for fiscal year 2006, \$105,000,000 for fiscal year 2007, \$77,000,000 for fiscal year 2008, \$53,000,000 for fiscal year 2009, \$32,000,000 for fiscal year 2010.

The aggregate level of revenues is adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by a roll call vote of 13 ayes and 22 noes.

VOTE NO. 13

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN			
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ			
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

14. An amendment offered by Representatives Moore, Neal, Jefferson, Davis, DeLauro, Baird, Allen, Case, McKinney, Cuellar, and Schwartz to fund Community Development Block Grants. The amendment increases the budget authority and outlays for function 450 by the following amounts to reflect funding for Community Development Block Grants: budget authority \$1,500,000,000 for fiscal year 2006; outlays \$700,000,000 for fiscal year 2006, \$500,000,000 for fiscal year 2007, \$300,000,000 for fiscal year 2008.

The aggregate level of revenues is adjusted by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by voice vote.

15. An amendment offered by Mr. Cooper, Mr. Moore, Mr. Ford, Mr. Case, Mr. Kind, Mr. Allen, and Mr. Baird to establish a pay-as-you go point of order in the House of Representatives.

The amendment was not agreed to by a roll call vote of 15 ayes and 21 noes.

VOTE NO. 15

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS				Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

16. An amendment offered by Mr. Davis, Mr. Ford and Mr. Baird to increase budget authority and outlays for function 750 by the following amounts to increase spending on the Community Oriented Policing Services, Byrne grants, the High Intensity Drug Trafficking Area program, and programs within the Office of Juvenile Justice and Delinquency Prevention: budget authority \$1,300,000 for fiscal year 2006; outlays \$475,000,000 for fiscal year 2006, \$350,000,000 for fiscal year 2007, \$275,000,000 for fiscal year 2008, \$175,000,000 for fiscal year 2009, \$25,000,000 for fiscal year 2010.

Adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

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

VOTE NO. 16

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER			
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

17. An amendment offered by Representatives Schwartz and DeLauro to increase function 400 to reflect higher spending for AMTRAK by the following amounts: budget authority \$847,000,000 for fiscal year 2006; outlays \$847,000,000 for fiscal year 2006.

Adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was withdrawn.

18. An amendment offered by Representative DeLauro to add at the appropriate place a Sense of the Congress regarding Federal procurement spending and the outsourcing of jobs.

The amendment was withdrawn.

19. An amendment offered by Representative Allen to insert a Sense of the Congress regarding pay parity.

The amendment was withdrawn.

20. An amendment offered by Representatives Cuellar and Davis to increase spending on certain education programs by the following amounts: budget authority \$1,540,000,000 for fiscal year 2006; outlays \$162,000,000 for fiscal year 2006, \$1,110,000,000 for fiscal year 2007, \$189,000,000 for fiscal year 2008, \$79,000,000 for fiscal year 2009. The amendment would also reduce function 150 by the same amounts.

The amendment was not agreed to on a voice vote.

21. An amendment offered by Representatives Kind and Allen to reduce function 350 to reflect savings in the Farm Security and Rural Investment Act of 2002 by the following amounts: budget authority -\$285,000,000 for 2006, -\$305,000,000 for fiscal year 2007, -\$260,000,000 for fiscal year 2008, -\$286 for fiscal year 2009, -\$114,000,000 for fiscal year 2010; outlays -\$285,000,000 for 2006, -\$305,000,000 for fiscal year 2007, -\$260,000,000 for fiscal year 2008, -\$286 for fiscal year 2009, -\$114,000,000 for fiscal year 2010.

The amendment was not agreed to on a voice vote.

22. An amendment offered by Representatives Cooper, Moore, Ford, and Case to make certain changes to the budget enforcement process.

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

VOTE NO. 19

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPES	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT	X			Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING	X			Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. McKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS				Ms. SCHWARTZ	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYAN (WI)	X			Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

23. An amendment offered by Representatives Allen, Jefferson, and Case to increase spending in function 050 to reflect additional Navy shipbuilding, by the following amounts: \$2,000,000,000 for fiscal year 2006; outlays \$240,000,000 for fiscal year 2006, \$460,000,000 for fiscal year 2007, 400,000,000 for fiscal year 2008, \$374,000,000 for fiscal year 2009, \$216,000,000 for fiscal year 2010.

Adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by a roll call vote of 15 ayes and 22 noes.

VOTE NO. 20

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPs	X		
Mr. BONNER		X		Mr. BAIRD			
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Ms. ROS-LEHTINEN		X		Ms. MCKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

24. An amendment offered by Mr. Cuellar to insert at the appropriate place in the Chairman's Mark a Sense of the Congress related to Performance Based Budgeting.

The amendment was withdrawn.

25. An amendment offered by Representative Kind to increase function 500 to reflect higher spending for the Rural Health Flexibility Grant program, by the following amounts: \$40,000,000 for fiscal year 2006; outlays \$19,000,000 for fiscal year 2006, \$15,000,000 for fiscal year 2007, \$4,000,000 for fiscal year 2008, \$2,000,000 for fiscal year 2009.

Adjust the aggregate level of revenues by the following amounts: \$4.5 billion in fiscal year 2006; \$7.5 billion in fiscal year 2007; \$6.4 billion in fiscal year 2008; \$7.0 billion in fiscal year 2009; and \$7.3 billion in fiscal year 2010. This adjustment reflects the elimination of the deferral of taxation on profits accruing to foreign subsidiaries of U.S. corporations. Revenues resulting from this provision, above the amounts needed to offset the outlay changes, would be dedicated to reducing the deficit in the budget resolution.

The amendment was not agreed to by a roll call vote of 15 ayes and 22 noes.

VOTE NO. 21

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. PORTMAN		X		Mr. MOORE	X		
Mr. RYUN (KS)		X		Mr. NEAL	X		
Mr. CRENSHAW		X		Ms. DeLAURO	X		
Mr. PUTNAM		X		Mr. EDWARDS	X		
Mr. WICKER		X		Mr. FORD			
Mr. HULSHOF		X		Mrs. CAPPS	X		
Mr. BONNER		X		Mr. BAIRD			

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. GARRETT		X		Mr. COOPER	X		
Mr. BARRETT		X		Mr. DAVIS	X		
Mr. McCOTTER		X		Mr. JEFFERSON	X		
Mr. DIAZ-BALART		X		Mr. ALLEN	X		
Mr. HENSARLING		X		Mr. CASE	X		
Ms. ROS-LEHTINEN		X		Ms. MCKINNEY	X		
Mr. LUNGREN		X		Mr. CUELLAR	X		
Mr. SESSIONS		X		Ms. SCHWARTZ	X		
Mr. RYAN (WI)		X		Mr. KIND	X		
Mr. SIMPSON		X					
Mr. BRADLEY		X					
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					

Mr. Portman made a motion that the committee adopt the aggregates, function totals, and other appropriate matter, with any amendments.

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

Chairman Nussle called up the Concurrent Resolution on the Budget for Fiscal year 2006 incorporating the aggregates, function totals, and other appropriate matter as previously agreed.

Mr. Portman made a motion that the committee order the Concurrent Resolution reported with a favorable recommendation and that the Concurrent Resolution do pass.

The motion offered by Mr. Portman was agreed to by a roll call vote of 22 ayes and 15 noes.

VOTE NO. 22

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman	X			Mr. SPRATT, Ranking		X	
Mr. PORTMAN	X			Mr. MOORE		X	
Mr. RYUN (KS)	X			Mr. NEAL		X	
Mr. CRENSHAW	X			Ms. DeLAURO		X	
Mr. PUTNAM	X			Mr. EDWARDS		X	
Mr. WICKER	X			Mr. FORD			
Mr. HULSHOF	X			Mrs. CAPPS		X	
Mr. BONNER	X			Mr. BAIRD			

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. GARRETT	X			Mr. COOPER		X	
Mr. BARRETT	X			Mr. DAVIS		X	
Mr. McCOTTER	X			Mr. JEFFERSON		X	
Mr. DIAZ-BALART	X			Mr. ALLEN		X	
Mr. HENSARLING	X			Mr. CASE		X	
Ms. ROS-LEHTINEN	X			Ms. MCKINNEY		X	
Mr. LUNGREN	X			Mr. CUELLAR		X	
Mr. SESSIONS	X			Ms. SCHWARTZ		X	
Mr. RYAN (WI)	X			Mr. KIND		X	
Mr. SIMPSON	X						
Mr. BRADLEY	X						
Mr. McHENRY	X						
Mr. MACK	X						
Mr. CONAWAY	X						

Mr. Portman 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.

There was no objection to the unanimous consent requests.

Additional Report Language

NUCLEAR ENERGY RESEARCH AND DEVELOPMENT

Within the discretionary levels available under this resolution, the committee recognizes the importance of the President's request for the Department of Energy's (DOE) Office of Nuclear Energy, Science and Technology for fiscal year 2006, which allows for research into a new generation of nuclear reactors and advances in fuel cycle technology to move forward.

DEFENSE ENVIRONMENTAL RESTORATION WASTE MANAGEMENT

The committee makes no assumption regarding atomic energy defense activities of the Department of Energy, but recognizes that as much as \$7.05 billion for the Department's Environmental Management program may be required to perform various nuclear restoration and clean-up activities, including critical initiatives such as those in Idaho, Savannah River, and Hanford, for 2006 and beyond.

PAYMENT IN LIEU OF TAXES

The committee recognizes that the Federal government holds title to large amounts of Federal land that would otherwise contribute to the local tax base and that, consistent with the overall level of discretionary spending available under this resolution, Congress should adequately fund Payments-In-Lieu-Of-Taxes.

COMMUNITY-BASED CANCER CARE

The committee recognizes the importance of patient access to high-quality community-based cancer care and supports monitoring continued implementation of the Medicare Modernization Act of 2003 with respect to community-based cancer care.

GLOBAL AIDS

The overall level of discretionary funding under this resolution is sufficient to support an historic level of funding for HIV/AIDS.

POWER MARKETING ADMINISTRATIONS

The resolution does not specifically assume any savings from the President's proposal to require Power Marketing Administrations to charge market rates and the Energy and Commerce Committee would determine its own policies subject to the applicable numerical allocation limits and reconciliation directives.

SKILLED NURSING FACILITIES

The committee believes that any changes in Medicare reimbursements for skilled nursing facilities or in the Federal matching assistance provided to state Medicaid programs should be carefully evaluated and monitored to ensure access to quality care and the financial stability of this vital health care sector.

MEDICAID PARTNERSHIP PLAN

The committee recognizes the importance of Federal-state cooperation and encourages states to work with the Centers for Medicare and Medicaid Services (CMS) to develop efficient and cost-effective delivery of health care services to needy populations. This committee supports proposals to carefully examine the benefits of Medicaid Partnership Plans and to positively reinforce the efforts of states that have taken proactive action to create efficient, effective and sustainable Medicaid programs.

METHAMPHETAMINE PROGRAMS

Midwestern and western states have recently seen an increase in the production and distribution of methamphetamine. This highly addictive drug has caused irreparable harm to families and children. State and Local Law Enforcement and Drug Task Forces have been instrumental in the war on drugs and in particular, methamphetamine.

Accordingly, the committee recognizes the importance of the High Intensity Drug Trafficking Areas (HIDTA) program and is supportive of the Community Oriented Policing Services (COPS) and Byrne Justice Assistance Grants (JAG) programs.

RECOVERY OF FUEL REVENUE

The committee is also concerned about the continued loss of Federal fuels tax revenue through the fraudulent use of untaxed diesel fuels and believes that the IRS could employ nanotechnology to more efficiently and effectively combat fraud and abuse of Federal tax dollars and increase revenue to the Highway Trust Fund.

COMMUNITY SERVICES BLOCK GRANTS

Community Services Block Grants provide invaluable assistance to low-income families and communities. These funds are used to build healthy and stable communities. Due consideration should be given to this program before Congress implements any changes.

STUDENT LOAN SCORING

While the committee supports the Federal student loan programs, the committee is concerned that the Ford Direct Loan Program's subsidy estimates do not reflect the program's true cost to the Federal Government.

AVIATION SECURITY PASSENGER FEES

The resolution does not specifically assume the enactment of the President's proposed increase in aviation security passenger fees.

NATIONAL ANIMAL DISEASE CENTER

The committee is concerned about the threat to food safety and the possibility of bio-terrorism in relation to the nation's food supply.

The Department of Agriculture National Animal Disease Center plans a critical role in responding to, and addressing, numerous animal diseases such as Mad Cow disease. The importance of the Center has become more pronounced in the context of potential terrorist acts against food production assets, as well as random disease outbreaks. The committee notes that the Administration budget request for fiscal year 2006 includes the final funding amount necessary to finish the overall Animal Disease Center modernization project and that the discretionary levels within this resolution are sufficient to accommodate the timely completion of this project.

LOCK AND DAM MODERNIZATION

The committee anticipates enactment during calendar year 2005 of a Water Resources Development Act (WRDA), including authorization of lock modernization on the Upper Mississippi and Illinois Rivers. The resolution establishes an overall level of discretionary budget authority, which includes a significant increase above the President for Natural Resources and the Environment (function 300), sufficient to accommodate the Civil Works Program of the U.S. Army Corps of Engineers. Adequate investment in this critical program is necessary to maintain the international competitiveness of major agricultural, energy and industrial employers relying on modern and efficient transportation options.

PHYSICAL THERAPY CAPS

The committee recognizes the importance of patient access to high-quality rehabilitation services for Medicare beneficiaries and supports continued monitoring of the implementation of the Medicare Modernization Act of 2003 and beneficiary access to rehabilitation services for Medicare beneficiaries.

LONG-TERM CARE

It is the view of the Committee on the Budget that stronger incentives should be enacted to encourage more Americans to prepare for future long-term care expenses through the purchase of insurance, and that the burden on family members providing long-term care be reduced.

OUTSOURCING AND PROCUREMENT

The committee is concerned about the use of taxpayer dollars to finance the outsourcing of jobs from the United States to offshore locations. Federal funds should not be used by state or Federal Governments to support outsourcing, whether through procurement or contracting, without considering any adverse impact on manufacturing and service employment and business in the United States.

EDUCATION

The committee believes that utmost consideration should be given to shifting adequate resources from lower priority areas within the international affairs function to Pell grants and other critical elementary and post secondary education programs.

SHIPBUILDING

The committee is concerned about the impact of low shipbuilding construction rates on the future war fighting capability of our Naval fleet and on the sustainability of the shipbuilding industrial base. The committee has supported the robust increases in overall defense spending in recent years, but notes that the Navy's allocation for new ship construction has shrunk by nearly fifty percent since 2001. The witnesses at the committee's hearing on defense and homeland security were unanimous in agreement that there is a shipbuilding shortfall that must be addressed.

The President's budget requests funding to procure four ships in fiscal year 2006. A Congressional Research Service analysis finds that a steady state procurement rate of six to eight ships per year is needed to provide for a fleet of 250 to 330 ships, the Navy leadership's current notional fleet size. Areas of particular concern include the decision to reduce the aircraft fleet to below 12 for the first time in half a century; the reduction in the procurement of the DD-X destroyer and Virginia class submarine programs to one per year; the absence of any major surface combatant in the fiscal year 2006 budget; and delays and reductions in the Littoral Combat Ship program.

A robust and modern Navy fleet is essential to efforts to prevent the transport of weapons of mass destruction via the seas, to transport troops to conflicts overseas, and to counter emerging national threats in the future. The committee believes that the House defense committees should give priority to needed investments in Navy shipbuilding.

ADVANCED APPROPRIATION FOR SHIPBUILDING

The committee understands the Navy may review whether advance appropriations can improve its procurement of ships and provide savings as it designs its 2007 budget. In addition, the committee intends to request the Government Accountability Office (GAO) to assess the implications of using advance appropriations to procure ships.

PERFORMANCE-BASED BUDGETING

The responsiveness of governmental policymakers to the public is an important function of democracy, and thus government must be responsible for results. The success of providing an efficient, effective, and accountable government is tied directly to utilizing proper legislative budget oversight.

Performance-based budgeting is recognized as one of the best methods for legislators to provide budget oversight in government. This model provides a framework for establishing clearly identifiable missions, goals, objectives, and performance measures so that government leaders, elected and non-elected, are afforded the op-

portunity to develop policies and programs to best serve citizens. Performance-based budgeting is a significant tool to oversee the use of public funds to set goals, measure performance, achieve results and prioritize the allocation of limited public funds to maximize results for taxpayers.

The Congress, in the best interest of the citizens of the United States, should refine current performance based budgeting practices to further develop the Program Assessment Rating Tool to ensure the maximum efficiency, effectiveness, and accountability of government programs and the best delivery of services to the public and the taxpayer.

RURAL SCHOOLS

The committee recognizes the importance to schools and counties of the reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106–393). The committee believes the collaborative relationships established by the Resource Advisory Committees under this Act have led to projects that are enhancing and conserving our public lands. The committee also recognizes that the Act is covered by the baseline through fiscal 2007. Therefore, the committee recognizes the importance of addressing the reauthorization in future budget resolutions.

FIRE BORROWING

Due to the availability of fiscal year 2004 carryover balances in addition to fiscal year 2005 appropriations, the resolution does not include a special adjustment for wildland firefighting similar to that included in the fiscal year 2005 budget resolution (sec. 312 of S. Con. Res. 95 (108th Congress) as made applicable to the House by H. Res. 649). The committee is mindful of extremely low moisture conditions in certain regions, however, and remains interested in working to avoid the type of large-scale borrowing for firefighting that was so disruptive to Forest Service and Bureau of Land Management operating programs in 2002 and 2003. The committee will continue to monitor wildland firefighting needs and expenditures, as well as ongoing agency efforts to contain firefighting costs and will consider, as part of future resolution, if the fiscal year 2005 fire season is so severe that the additional funds provided through the 2005 budget resolution are completely expended, or reduced to such a degree that future borrowing is almost certain to occur, the committee would consider making an adjustment for additional wildland fire suppression funds in fiscal year 2006 as part of the budget resolution for fiscal year 2007.

INTELLIGENCE REFORM AND TERRORISM

In light of recent revelations that al-Qaeda is actively considering sending operatives into the U.S. by penetrating our porous southwestern border, the committee recognizes the importance of adequate funding for Border Patrol agents, Immigration and Customs Enforcement agents, and immigration detention beds.

DIRECT SPENDING PROGRAM

As part of the reconciliation process required by this resolution, the Budget Committee encourages the authorizing committees to review whether any mandatory programs within their jurisdiction would be more appropriately funded through discretionary appropriations, which are subject to review and oversight by the Congress.

ACCOUNTS IDENTIFIED FOR ADVANCE APPROPRIATIONS WHICH ARE
SUBJECT TO ANNUAL REVIEW

Elk Hills (89 5428 02 271)
Corporation for Public Broadcasting (20 0151 01 503)
Employment and Training administration (16 0174 01 504)
Education for the Disadvantaged (91 0900 01 501)
School Improvement (91 1000 01 501)
Children and Family Services (Head Start) (75 1536 01 506)
Special Education (91 0300 01 501)
Vocational and Adult Education (91 0400 01 501)
Transportation (highways; transit; Farley Building)
Payment to Postal Service (18 1001 01 372)
Section 8 Renewals (86 0319 01 604)

Other Matters To Be Discussed Under the Rules of the House

COMMITTEE ON THE BUDGET OVERSIGHT FINDINGS AND RECOMMENDATIONS

Clause 3(c)(1) of Rule XIII requires each committee report to contain oversight findings and recommendations pursuant to clause 2(b)(1) of rule X. The Budget Committee has no findings to report at the present time.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Clause 3(c)(2) of Rule XIII provides that committee reports shall contain the statement required by section 308(a)(1) of the Congressional Budget Act of 1974. This report does not contain such a statement because as a concurrent resolution setting forth a blueprint for the Congressional budget, the budget resolution does not provide new budget authority or new entitlement authority or change revenue.

GENERAL PERFORMANCE GOALS AND OBJECTIVES

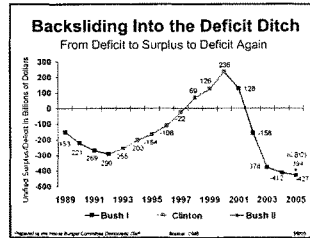
Clause 3(c)(4) of Rule XIII requires each committee report to contain a statement of general performance goals and objectives, including outcome-related goals and objectives, for which the measure authorizes funding. The Budget Committee has no such goals and objectives to report at this time.

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 views in its report. The following views were submitted:

MINORITY VIEWS

Five years ago, the federal budget sat at the top of a pinnacle, basking in a surplus of \$236 billion. This was a crowning accomplishment of the Clinton Administration and the Democrats in Congress who passed his deficit-reduction plan. The following year, the Bush Administration took office, and every year since, the bottom line of the budget has grown worse. The Office of Management and Budget expects a deficit this year of \$427 billion — the third record deficit in a row.

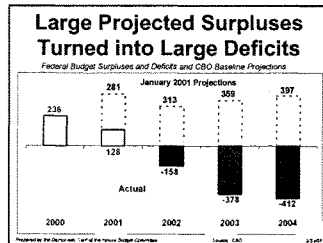


These deficits contrast sharply with the surpluses that President Bush inherited on coming to office, estimated to be \$5.6 trillion over 2002 - 2011. We warned that these were only projections, that they could disappear in the blink of an economist's eye. Now that the budget was in surplus, we said we should seize the opportunity to pay down the debt and strengthen Social Security.

When President Bush sent his first budget to Congress in February 2001, he chose a different course, one which emphasized huge tax cuts. Largely as a result, the budget has moved from record surpluses to record deficits, and put the United States on a perilous path.

The House Republican budget resolution for fiscal year 2006 leads us further down that path. It ignores the testimony before our Committee of the Chairman of the Federal Reserve and the Comptroller General. Both called this an unsustainable course.

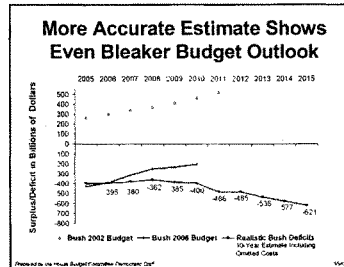
The House Republican budget shares all the flaws of the President's budget. While purporting to make progress on the deficit, it actually makes the problem worse.



Last year, the President set a goal, to cut the deficit in half over five years. The Administration claims to be moving the budget in that direction, but its claim loses credibility when one sees the omissions from the budget. The President's budget omits the cost of our deployments in Iraq and Afghanistan, now running \$80 - \$100 billion a year. His budget excludes the cost of fixing the alternative minimum tax (AMT), even a one-year "patch," although 15-20 million tax filers, mostly middle income, will pay the AMT next year if it is not corrected. His budget also excludes the start-up cost for shifting Social Security to private accounts, which the Administration has acknowledged to be \$754 billion between 2009 and 2015.

When these adjustments, all realistic, are made to the President's budget, and the ten-year impact of the Administration's tax agenda and its other policies are factored in, the unified deficit does not go away or even go down. It gets larger, becoming \$621 billion by 2015 — far surpassing the record deficits the Administration has produced in the last three years.

If we truly want to make Social Security solvent for the next 75 years, this is the polar opposite of what we need to be doing. The nation needs to be saving, not borrowing hundreds of billions every year.



Here in a very simple table is the debt that the federal government has racked up since 2001. To make way for the budgets of the Bush Administration, Republicans have raised the debt ceiling of the United States three times in four years by \$2.234 trillion. At this rate, the federal government is adding almost \$1 trillion every twenty months to our total indebtedness.

Republicans Increase the Debt Limit	
Debt Limit Increases, Billions of Dollars	
2002	\$450
2003	\$984
2004	\$800

In fairness, the House Republican resolution differs slightly from the President's budget — it includes, for example, \$50 billion for the war in Iraq and Afghanistan in 2006, and appears to include a one-year "patch" for the AMT. But in all other respects, it is cut from the same cloth as the Bush Administration's budget. It runs large deficits, deficits that over five years are \$127 billion worse than current law, according

to its own numbers. Even worse, it understates the real deficit because it includes no funding for operations in Iraq and Afghanistan after 2006, and only a token fix for the AMT. It includes not a dime for the cost of the President's Social Security privatization plan and no deficit estimates at all beyond five years. The projection of the budget ends conveniently in 2010, just as deficits grow worse because the tax cuts of 2001 and 2003, set to expire in 2010, will almost inevitably be renewed.

Like the President's budget, the House Republican budget resolution proposes spending cuts. For mandatory programs, the House Republican budget calls for net reductions of \$67 billion, more than twice as large as the President proposed. Deficits are so large that these cuts barely make a dent, but they hurt because they cut into services that people depend upon.

The House Republican budget resolution includes reconciliation instructions requiring nine House authorizing committees to report mandatory spending cuts totaling \$68.6 billion over five years, as shown in the following table.

	2006	2006-2010
Committee on Agriculture	-797	-5,278
Committee on Education and the Workforce	-2,097	-21,410
Committee on Energy and Commerce	-630	-20,002
Committee on Financial Services	-30	-270
Committee on the Judiciary	-123	-603
Committee on Resources	-96	-1,413
Committee on Transportation and Infrastructure	-12	-103
Committee on Veterans Affairs	-155	-798
Committee on Ways and Means	-3,907	-18,680
Total	-7,847	-68,557

Precisely where these cuts will fall, the resolution does not say. But given the jurisdiction of the committees involved, it seems likely that the targets will represent a broad cross-section of vital services. For example:

--Education and the Workforce Committee: The \$21 billion in cuts that this Committee must reconcile could fall on student loans, school lunches, vocational rehabilitation, and non-Social Security pension and disability programs.

--Energy and Commerce Committee: The \$20 billion in cuts that this Committee must reconcile could fall mostly or entirely on Medicaid, and would exceed the cuts that the President has called for over the next five years.

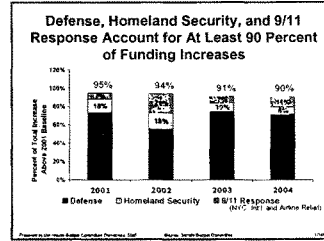
--Veterans Affairs Committee: The \$798 million in cuts that this Committee must reconcile would fall on disability compensation or result in new fees for veterans.

--Ways and Means Committee: The \$19 billion in cuts that this Committee must reconcile could fall on child care, foster care, the earned income tax credit, and benefits for low-income elderly and disabled individuals—in other words, the safety net.

--Resources Committee: The \$1.4 billion in cuts that this Committee must reconcile might come from park fees or ANWR leasing; the resolution does not suggest sources.

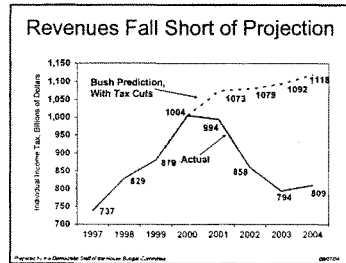
On the discretionary spending side, the Republican budget resolution calls for non-defense cuts that go \$150 billion below current services over five years, a dubious goal, but if attained, it would cut across a broad array of domestic programs from education to veterans' health care to community development to law enforcement. For example, the Republican budget resolution funds veterans health care at \$14.1 billion below current services over five years.

This budget resolution singles out domestic discretionary funding for cuts, even though these programs are not the source of today's deficits. Domestic non-homeland security spending has held steadily in the range of \$350 billion a year and been relatively flat for the past three years. As this bar graph shows, 90-95 percent of the increase in discretionary spending has occurred in national security, homeland security, and the post-9/11 response, and not in the accounts that Republicans would now cut.



The Republican budget resolution disregards the decline in revenues as a cause of the current deficits, although revenues as a percent of gross domestic product sank to 16.3 percent last year, their lowest level since the early 1950s. As the graph below shows, when the Bush Administration presented its tax cuts to Congress in 2001, it predicted that the individual income tax would generate \$1.118 trillion in revenues in 2004, notwithstanding the tax cuts. The individual income tax generated instead about \$809 billion in 2004, a shortfall of \$309 billion, almost equal to three-fourths of last-year's deficit. Regardless of the revenue shortfall, House Republicans call for \$106 billion in additional tax reduction over the next five years, knowing that these tax cuts will go straight to the bottom line and add dollar-for-dollar to the deficit.

When President Bush sent his package of tax cuts to Congress in 2001, Republicans in Congress gladly ran out their budget projections for ten years, from 2002 through 2011, because 70 percent of the surpluses that they sought to use as offsets occurred in the second half of the ten-year projection. They now run out their budgets for just five years, avoiding recognition of the fact that most of the tax cuts passed in 2001 and 2003 will expire by the end of 2010; and if renewed, the revenue losses will be enormous, and will greatly complicate reduction of the deficit.



According to the Congressional Budget Office: "Assuming that the expiring provisions enacted in EGTRRA, JGTRRA, and WFTRA were extended, CBO and the Joint Committee on Taxation (JCT) estimate that revenues would be about \$1.6 trillion lower through 2015. About six-sevenths of that reduction would occur from 2011 through 2015."

CBO also notes that "[f]ifty-three tax provisions not initially enacted in EGTRRA, JGTRRA, or WFTRA, are due to end between 2005 and 2015; of those, 47 would reduce revenues if extended. The provision with the largest effect is the research and experimentation tax credit Continuing the credit through 2015 would reduce revenues by about \$73 billion In all, extending those 47 revenue-reducing provisions would decrease receipts by \$322 billion from 2006 through 2015."

Finally, CBO notes that unless the AMT is corrected, 27 million tax filers will pay the higher alternative minimum tax in 2015; and most will be middle-income taxpayers for whom the AMT was never intended. The AMT "patch" for 2005 holds the number of tax filers faced with the AMT to about 4 million; but if this year's "patch" is not extended, tax filers affected will jump to 17 million in 2006. CBO estimates the one-year cost of extending the "patch" at \$31 billion, and the ten-year cost of holding the AMT at 4 million filers to be about \$642 billion. If all of these tax provisions were enacted together, their costs would be even higher, because their effects would interact with each other.

These revenue facts have immense implications for the budget, but the Republicans' resolution barely pays them notice, other than to allow for another one-year "patch" to the AMT and to call for a total of \$106 billion in additional tax reduction. This may be used to renew expiring provisions, or it may not; the resolution does not make it clear.

By every important measure, this budget resolution fails the test of credibility. It purports to lower the deficit, but like the President's budget, it contains glaring omissions; and when these are added back, the deficit gets worse, not better. It calls for major spending cuts but lacks specificity, and appears to target reconciliation on veterans' fees, student loans, Medicaid, and the earned income tax credit. It clearly contemplates the extension of expiring tax provisions in 2011, but cleverly ends its tables in 2010 to avoid the consequences of that decision. It ignores the revenue side of the problem, and it includes nothing to represent the cost of partially privatizing Social Security along the lines that President Bush has proposed.

Far from ridding the budget of deficits, this resolution will make the problem worse. If we are in earnest about deficit reduction, we should vote this budget down.

JOHN M. SPRATT, Jr.
RICHARD E. NEAL.
ROSA DELAURO.
LOIS CAPPS.
JIM COOPER.
ARTUR DAVIS.
WILLIAM J. JEFFERSON.
THOMAS H. ALLEN.
ED CASE.
HENRY CUELLAR.
RON KIND.
ALLYSON Y. SCHWARTZ.
HAROLD FORD.
CYNTHIA MCKINNEY.
CHET EDWARDS.
DENNIS MOORE.
BRIAN BAIRD.

A P P E N D I X

H. CON. RES. 95

Concurrent Resolution—Establishing the congressional budget for the United States Government for fiscal year 2006, revising appropriate budgetary levels for fiscal year 2005, and setting forth appropriate budgetary levels for fiscal years 2007 through 2010

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

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2006.

The Congress declares that the concurrent resolution on the budget for fiscal year 2006 is hereby established and that the appropriate budgetary levels for fiscal years 2005 and 2007 through 2010 are set forth.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2010:

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

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

Fiscal year 2005: \$1,483,971,000,000.
Fiscal year 2006: \$1,589,905,000,000.
Fiscal year 2007: \$1,693,266,000,000.
Fiscal year 2008: \$1,824,251,000,000.
Fiscal year 2009: \$1,928,663,000,000.
Fiscal year 2010: \$2,043,903,000,000.

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

Fiscal year 2005: \$53,000,000.
Fiscal year 2006: \$16,622,000,000.
Fiscal year 2007: \$24,414,000,000.
Fiscal year 2008: \$4,927,000,000.
Fiscal year 2009: \$8,570,000,000.
Fiscal year 2010: \$9,063,000,000.

(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 2005: \$2,070,357,000,000.

Fiscal year 2006: \$2,135,290,000,000.
 Fiscal year 2007: \$2,199,074,000,000.
 Fiscal year 2008: \$2,314,562,000,000.
 Fiscal year 2009: \$2,430,359,000,000.
 Fiscal year 2010: \$2,257,892,000,000.

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

Fiscal year 2005: \$2,052,551,000,000.
 Fiscal year 2006: \$2,154,404,000,000.
 Fiscal year 2007: \$2,206,300,000,000.
 Fiscal year 2008: \$2,298,338,000,000.
 Fiscal year 2009: \$2,402,719,000,000.
 Fiscal year 2010: \$2,507,365,000,000.

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

Fiscal year 2005: \$568,580,000,000.
 Fiscal year 2006: \$564,499,000,000.
 Fiscal year 2007: \$513,034,000,000.
 Fiscal year 2008: \$474,087,000,000.
 Fiscal year 2009: \$474,056,000,000.
 Fiscal year 2010: \$463,462,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2005: \$4,685,000,000,000.
 Fiscal year 2006: \$5,071,000,000,000.
 Fiscal year 2007: \$5,389,000,000,000.
 Fiscal year 2008: \$5,649,000,000,000.
 Fiscal year 2009: \$5,891,000,000,000.
 Fiscal year 2010: \$6,105,000,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2005: \$7,958,000,000,000.
 Fiscal year 2006: \$8,635,000,000,000.
 Fiscal year 2007: \$9,264,000,000,000.
 Fiscal year 2008: \$9,862,000,000,000.
 Fiscal year 2009: \$10,464,000,000,000.
 Fiscal year 2010: \$11,060,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2010 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

- (A) New budget authority, \$500,621,000,000.
- (B) Outlays, \$497,196,000,000.

Fiscal year 2006:

- (A) New budget authority, \$441,562,000,000.
- (B) Outlays, \$475,603,000,000.

Fiscal year 2007:

- (A) New budget authority, \$465,260,000,000.
- (B) Outlays, \$460,673,000,000.

- Fiscal year 2008:
 - (A) New budget authority, \$483,730,000,000.
 - (B) Outlays, \$471,003,000,000.
- Fiscal year 2009:
 - (A) New budget authority, \$503,763,000,000.
 - (B) Outlays, \$489,220,000,000.
- Fiscal year 2010:
 - (A) New budget authority, \$513,904,000,000.
 - (B) Outlays, \$505,908,000,000.
- (2) International Affairs (150):
 - Fiscal year 2005:
 - (A) New budget authority, \$32,085,000,000.
 - (B) Outlays, \$32,166,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$31,718,000,000.
 - (B) Outlays, \$35,097,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$34,835,000,000.
 - (B) Outlays, \$33,359,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$35,197,000,000.
 - (B) Outlays, \$32,397,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$35,237,000,000.
 - (B) Outlays, \$32,115,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$34,928,000,000.
 - (B) Outlays, \$31,643,000,000.
- (3) General Science, Space, and Technology (250):
 - Fiscal year 2005:
 - (A) New budget authority, \$24,413,000,000.
 - (B) Outlays, \$23,594,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$24,735,000,000.
 - (B) Outlays, \$23,894,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$25,171,000,000.
 - (B) Outlays, \$24,610,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$25,545,000,000.
 - (B) Outlays, \$24,922,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$25,851,000,000.
 - (B) Outlays, \$25,242,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$26,162,000,000.
 - (B) Outlays, \$25,565,000,000.
- (4) Energy (270):
 - Fiscal year 2005:
 - (A) New budget authority, \$2,564,000,000.
 - (B) Outlays, \$794,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$3,147,000,000.
 - (B) Outlays, \$2,027,000,000.

- Fiscal year 2007:
 - (A) New budget authority, \$2,362,000,000.
 - (B) Outlays, \$1,212,000,000.
- Fiscal year 2008:
 - (A) New budget authority, \$2,445,000,000.
 - (B) Outlays, \$551,000,000.
- Fiscal year 2009:
 - (A) New budget authority, \$2,056,000,000.
 - (B) Outlays, \$652,000,000.
- Fiscal year 2010:
 - (A) New budget authority, \$1,754,000,000.
 - (B) Outlays, \$543,000,000.
- (5) Natural Resources and Environment (300):
 - Fiscal year 2005:
 - (A) New budget authority, \$32,527,000,000
 - (B) Outlays, \$31,168,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$30,513,000,000.
 - (B) Outlays, \$32,276,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$30,883,000,000.
 - (B) Outlays, \$32,046,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$30,952,000,000.
 - (B) Outlays, \$32,402,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$31,706,000,000.
 - (B) Outlays, \$32,663,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$31,248,000,000.
 - (B) Outlays, \$32,254,000,000.
- (6) Agriculture (350):
 - Fiscal year 2005:
 - (A) New budget authority, \$30,151,000,000.
 - (B) Outlays, \$28,550,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$29,480,000,000.
 - (B) Outlays, \$28,507,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$27,190,000,000.
 - (B) Outlays, \$25,999,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$25,334,000,000.
 - (B) Outlays, \$24,281,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$25,691,000,000.
 - (B) Outlays, \$24,796,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$25,417,000,000.
 - (B) Outlays, \$24,687,000,000.
- (7) Commerce and Housing Credit (370):
 - Fiscal year 2005:
 - (A) New budget authority, \$16,804,000,000.
 - (B) Outlays, \$11,302,000,000.

- Fiscal year 2006:
 (A) New budget authority, \$10,772,000,000.
 (B) Outlays, \$5,562,000,000.
- Fiscal year 2007:
 (A) New budget authority, \$10,074,000,000.
 (B) Outlays, \$4,929,000,000.
- Fiscal year 2008:
 (A) New budget authority, \$10,040,000,000.
 (B) Outlays, \$4,250,000,000.
- Fiscal year 2009:
 (A) New budget authority, \$10,667,000,000.
 (B) Outlays, \$3,768,000,000.
- Fiscal year 2010:
 (A) New budget authority, \$14,565,000,000.
 (B) Outlays, \$6,393,000,000.
- (8) Transportation (400):
- Fiscal year 2005:
 (A) New budget authority, \$72,506,000,000.
 (B) Outlays, \$67,703,000,000.
- Fiscal year 2006:
 (A) New budget authority, \$70,007,000,000.
 (B) Outlays, \$70,393,000,000.
- Fiscal year 2007:
 (A) New budget authority, \$70,130,000,000.
 (B) Outlays, \$72,421,000,000.
- Fiscal year 2008:
 (A) New budget authority, \$70,501,000,000.
 (B) Outlays, \$74,167,000,000.
- Fiscal year 2009:
 (A) New budget authority, \$70,911,000,000.
 (B) Outlays, \$75,500,000,000.
- Fiscal year 2010:
 (A) New budget authority, \$72,254,000,000.
 (B) Outlays, \$77,356,000,000.
- (9) Community and Regional Development (450):
- Fiscal year 2005:
 (A) New budget authority, \$23,007,000,000.
 (B) Outlays, \$20,756,000,000.
- Fiscal year 2006:
 (A) New budget authority, \$14,179,000,000.
 (B) Outlays, \$18,461,000,000.
- Fiscal year 2007:
 (A) New budget authority, \$14,196,000,000.
 (B) Outlays, \$17,413,000,000.
- Fiscal year 2008:
 (A) New budget authority, \$14,283,000,000.
 (B) Outlays, \$15,727,000,000.
- Fiscal year 2009:
 (A) New budget authority, \$14,421,000,000.
 (B) Outlays, \$14,491,000,000.
- Fiscal year 2010:
 (A) New budget authority, \$14,441,000,000.
 (B) Outlays, \$14,140,000,000.

- (10) Education, Training, Employment, and Social Services
(500):
- Fiscal year 2005:
 - (A) New budget authority, \$94,001,000,000.
 - (B) Outlays, \$92,798,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$91,978,000,000.
 - (B) Outlays, \$90,981,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$89,925,000,000.
 - (B) Outlays, \$90,360,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$89,980,000,000.
 - (B) Outlays, \$88,864,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$90,194,000,000.
 - (B) Outlays, \$88,363,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$89,652,000,000.
 - (B) Outlays, \$88,181,000,000.
- (11) Health (550):
- Fiscal year 2005:
 - (A) New budget authority, \$257,469,000,000.
 - (B) Outlays, \$252,770,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$262,151,000,000.
 - (B) Outlays, \$262,513,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$275,220,000,000.
 - (B) Outlays, \$274,801,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$295,010,000,000.
 - (B) Outlays, \$293,810,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$317,113,000,000.
 - (B) Outlays, \$313,625,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$336,523,000,000.
 - (B) Outlays, \$335,574,000,000.
- (12) Medicare (570):
- Fiscal year 2005:
 - (A) New budget authority, \$292,587,000,000.
 - (B) Outlays, \$293,587,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$331,181,000,000.
 - (B) Outlays, \$330,944,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$371,875,000,000.
 - (B) Outlays, \$372,167,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$395,312,000,000.
 - (B) Outlays, \$395,364,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$420,234,000,000.

- (B) Outlays, \$419,828,000,000.
- Fiscal year 2010:
 - (A) New budget authority, \$448,111,000,000.
 - (B) Outlays, \$448,442,000,000.
- (13) Income Security (600):
 - Fiscal year 2005:
 - (A) New budget authority, \$339,057,000,000.
 - (B) Outlays, \$347,754,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$347,218,000,000.
 - (B) Outlays, \$354,055,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$352,416,000,000.
 - (B) Outlays, \$359,566,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$365,343,000,000.
 - (B) Outlays, \$370,830,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$374,529,000,000.
 - (B) Outlays, \$378,609,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$383,590,000,000.
 - (B) Outlays, \$386,978,000,000.
- (14) Social Security (650):
 - Fiscal year 2005:
 - (A) New budget authority, \$15,849,000,000.
 - (B) Outlays, \$15,849,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$15,891,000,000.
 - (B) Outlays, \$15,891,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$17,704,000,000.
 - (B) Outlays, \$17,704,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$19,768,000,000.
 - (B) Outlays, \$19,768,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$21,743,000,000.
 - (B) Outlays, \$21,743,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$24,029,000,000.
 - (B) Outlays, \$24,029,000,000.
- (15) Veterans Benefits and Services (700):
 - Fiscal year 2005:
 - (A) New budget authority, \$69,448,000,000.
 - (B) Outlays, \$68,873,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$68,881,000,000.
 - (B) Outlays, \$68,148,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$66,321,000,000.
 - (B) Outlays, \$66,014,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$69,448,000,000.

- (B) Outlays, \$69,258,000,000.
- Fiscal year 2009:
 - (A) New budget authority, \$69,961,000,000.
 - (B) Outlays, \$69,672,000,000.
- Fiscal year 2010:
 - (A) New budget authority, \$70,059,000,000.
 - (B) Outlays, \$69,787,000,000.
- (16) Administration of Justice (750):
 - Fiscal year 2005:
 - (A) New budget authority, \$39,817,000,000.
 - (B) Outlays, \$39,501,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$40,840,000,000.
 - (B) Outlays, \$42,268,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$41,390,000,000.
 - (B) Outlays, \$42,463,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$42,031,000,000.
 - (B) Outlays, \$42,650,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$42,602,000,000.
 - (B) Outlays, \$42,779,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$42,860,000,000.
 - (B) Outlays, \$42,803,000,000.
- (17) General Government (800):
 - Fiscal year 2005:
 - (A) New budget authority, \$16,748,000,000.
 - (B) Outlays, \$17,656,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$18,017,000,000.
 - (B) Outlays, \$18,308,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$17,956,000,000.
 - (B) Outlays, \$17,999,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, \$17,570,000,000.
 - (B) Outlays, \$17,555,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, \$17,587,000,000.
 - (B) Outlays, \$17,378,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, \$17,408,000,000.
 - (B) Outlays, \$17,216,000,000.
- (18) Net Interest (900):
 - Fiscal year 2005:
 - (A) New budget authority, \$267,942,000,000.
 - (B) Outlays, \$267,942,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$310,479,000,000.
 - (B) Outlays, \$310,479,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, \$359,797,000,000.

- (B) Outlays, \$359,797,000,000.
- Fiscal year 2008:
 - (A) New budget authority, \$397,194,000,000.
 - (B) Outlays, \$397,194,000,000.
- Fiscal year 2009:
 - (A) New budget authority, \$426,162,000,000.
 - (B) Outlays, \$426,162,000,000.
- Fiscal year 2010:
 - (A) New budget authority, \$453,172,000,000.
 - (B) Outlays, \$453,172,000,000.
- (19) Allowances (920):
 - Fiscal year 2005:
 - (A) New budget authority, – \$3,135,000,000.
 - (B) Outlays, – \$3,304,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, \$47,903,000,000.
 - (B) Outlays, \$24,359,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, – \$10,368,000,000.
 - (B) Outlays, – \$2,845,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, – \$9,641,000,000.
 - (B) Outlays, – \$10,363,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, – \$9,193,000,000.
 - (B) Outlays, – \$13,636,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, – \$8,738,000,000.
 - (B) Outlays, – \$14,484,000,000.
- (20) Undistributed Offsetting Receipts (950):
 - Fiscal year 2005:
 - (A) New budget authority, – \$54,104,000,000.
 - (B) Outlays, – \$54,104,000,000.
 - Fiscal year 2006:
 - (A) New budget authority, – \$55,362,000,000.
 - (B) Outlays, – \$55,362,000,000.
 - Fiscal year 2007:
 - (A) New budget authority, – \$63,263,000,000.
 - (B) Outlays, – \$64,388,000,000.
 - Fiscal year 2008:
 - (A) New budget authority, – \$65,480,000,000.
 - (B) Outlays, – \$66,292,000,000.
 - Fiscal year 2009:
 - (A) New budget authority, – \$60,876,000,000.
 - (B) Outlays, – \$60,251,000,000.
 - Fiscal year 2010:
 - (A) New budget authority, – \$63,447,000,000.
 - (B) Outlays, – \$62,822,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS TO SLOW THE GROWTH IN MANDATORY SPENDING AND TO ACHIEVE DEFICIT REDUCTION.—(1) Not later than September 16, 2005, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$797,000,000 in outlays for fiscal year 2006 and \$5,278,000,000 in outlays for the period of fiscal years 2006 through 2010.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$2,097,000,000 in outlays for fiscal year 2006 and \$21,410,000,000 in outlays for the period of fiscal years 2006 through 2010.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$630,000,000 in outlays for fiscal year 2006 and \$20,002,000,000 in outlays for the period of fiscal years 2006 through 2010.

(D) COMMITTEE ON FINANCIAL SERVICES.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$30,000,000 in outlays for fiscal year 2006 and \$270,000,000 in outlays for the period of fiscal years 2006 through 2010.

(E) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$123,000,000 in outlays for fiscal year 2006 and \$603,000,000 in outlays for the period of fiscal years 2006 through 2010.

(F) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$96,000,000 in outlays for fiscal year 2006 and \$1,413,000,000 in outlays for the period of fiscal years 2006 through 2010.

(G) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by

\$12,000,000 in outlays for fiscal year 2006 and \$103,000,000 in outlays for the period of fiscal years 2006 through 2010.

(H) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$155,000,000 in outlays for fiscal year 2006 and \$798,000,000 in outlays for the period of fiscal years 2006 through 2010.

(I) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit by \$3,907,000,000 for fiscal year 2006 and \$18,680,000,000 for the period of fiscal years 2006 through 2010.

(b) SUBMISSION PROVIDING FOR CHANGES IN REVENUE.—The House Committee on Ways and Means shall report a reconciliation bill not later than June 24, 2005, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than \$16,623,000,000 for fiscal year 2006 and by not more than \$45,000,000,000 for the period of fiscal years 2006 through 2010.

(c)(1) Upon the submission to the Committee on the Budget of the House of a recommendation that has complied with its reconciliation instructions solely by virtue of section 310(b) of the Congressional Budget Act of 1974, the chairman of that committee may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(2) Upon the submission to the House of a conference report recommending a reconciliation bill or resolution in which a committee has complied with its reconciliation instructions solely by virtue of this section, the chairman of the Committee on the Budget of the House may file with the House appropriately revised allocations under section 302(a) of such Act and revised functional levels and aggregates.

(3) Allocations and aggregates revised pursuant to this subsection shall be considered to be allocations and aggregates established by the concurrent resolution on the budget pursuant to section 301 of such Act.

TITLE III—CONTINGENCY PROCEDURE

SEC. 301. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

- (1) for fiscal year 2005: \$42,806,000,000,
- (2) for fiscal year 2006: \$45,899,100,000,
- (3) for fiscal year 2007: \$47,828,700,000,
- (4) for fiscal year 2008: \$49,715,400,000, or
- (5) for fiscal year 2009: \$51,743,500,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) **ADJUSTMENT FOR OUTLAYS.**—For fiscal year 2006, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$42,792,000,000 for fiscal year 2006 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

TITLE IV—BUDGET ENFORCEMENT

SEC. 401. EMERGENCY LEGISLATION.

(a) **EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.**—(1) In the House, if any bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 or fiscal year 2006 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(2) Amounts included in this resolution for the purpose set forth in paragraph (1) shall be considered to be current law for purposes of the preparation of the current level of budget authority and outlays and the appropriate levels shall be adjusted upon the enactment of such bill.

(b) **EXEMPTION OF EMERGENCY PROVISIONS.**—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) **DESIGNATIONS.**—

(1) **GUIDANCE.**—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) **CRITERIA.**—

(A) **IN GENERAL.**—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

- (i) sudden, quickly coming into being, and not building up over time;
- (ii) an urgent, pressing, and compelling need requiring immediate action;
- (iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and
- (iv) not permanent, temporary in nature.

(B) **UNFORESEEN.**—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

SEC. 402. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) **IN GENERAL.**—In the House, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) **SPECIAL RULE.**—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 403. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

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

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

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

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

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 404. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2007 or 2008 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term “advance appropriation” means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2006 that first becomes available for any fiscal year after 2006.

SEC. 405. SPECIAL RULE IN THE HOUSE FOR CERTAIN SECTION 302(b) SUBALLOCATIONS.

In the House, the Committee on Appropriations may make a separate suballocation for general appropriations for the legislative branch for the first fiscal year of this resolution. Such suballocation shall be deemed to be made under section 302(b) of the Congressional Budget Act of 1974 and shall be treated as such a suballocation for all purposes under section 302 of such Act.

SEC. 406. SPECIAL PROCEDURES TO ACHIEVE SAVINGS IN MANDATORY SPENDING THROUGH FY2014.

(a) FINDINGS.—The Congress finds that—

(1) the share of the budget consumed by mandatory spending have been growing since the mid-1970s, and now is about 54 percent;

(2) this portion of the budget is continuing to grow, crowding out other priorities and threatening overall budget control;

(3) mandatory spending is intrinsically difficult to control;

(4) these programs are subject to a variety of factors outside the control of Congress, such as demographics, economic conditions, and medical prices;

(5) Congress should make an effort at least every other year, to review mandatory spending; and

(6) the reconciliation process set forth in the Congressional Budget Act of 1974 is a viable tool to reduce the rate of growth in mandatory spending.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that concurrent resolutions on the budget for fiscal years 2007 through 2010 should include reconciliation instructions to committees, every other year, pursuant to section 310(a) of the Congressional Budget Act of 1974 to achieve significant savings in mandatory spending.

