108TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
108–441

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 2005

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H. Con. Res. 393

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2005 AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2004 AND 2005 THROUGH 2009

together with

MINORITY VIEWS

MARCH 19, 2004.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

92–644 WASHINGTON : 2004

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List of Acronyms

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

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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. 393]

Strength, Growth, Opportunity

INTRODUCTION TO THE BUDGET RESOLUTION

Summary

This budget recognizes the fundamental obligations of the Federal Government to promote *Strength for America, Growth for the Economy,* and *Opportunity for the Future* by promoting freedom at home and around the world. It does so in a fiscally responsible way that cuts the deficit in half in the next 4 years, with no tax increases.

BACKGROUND

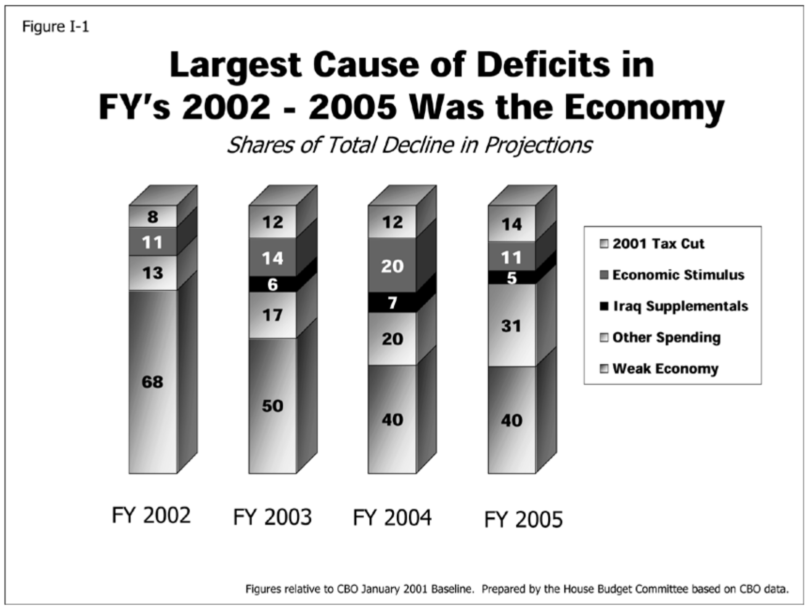
Even before the end of last year, it was obvious that the budget for fiscal year 2005 had to show fiscal responsibility, and had to get spending under control. As far back as the administration's *Mid-Session Review* in July, the President was proposing to cut the deficit in half within the next 5 years. Regaining control of the budget also was the mandate from the public and from Members of this House.

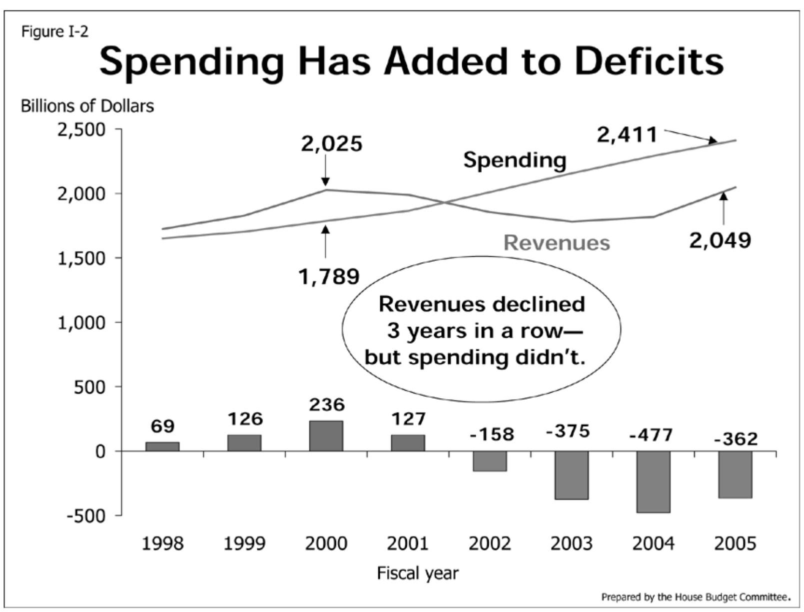
DEFICITS CONGRESS HAS ADDRESSED

It was obvious, too, that the Nation had faced, and largely overcome, extraordinary circumstances in the past 3 years. These were evident in a variety of deficits:

- *The Defense Deficit*—Beginning in the early 1990's, military spending began a steady decline, eventually reaching its lowest percentage of Gross Domestic Product [GDP] since before Pearl Harbor. Infrastructure began to deteriorate, and so did the quality of life for service members.
- *The Intelligence Deficit*—The attacks of September 11, and the inadequate intelligence regarding Iraq, North Korea, and Iran made it abundantly clear that there was a deficit of resources and focus in the Nation's intelligence community—which had developed in the 1990's.
- *The Homeland Security Deficit*—September 11 proved, painfully, that terrorists could exploit gaps in the Nation's security. These gaps had to be closed.
- *The Medicare Deficit*—Medicare was on a short path to bankruptcy until the President and Congress worked to modernize the program that had been running under the same system since its creation almost 40 years ago. The program also has been brought into the 21st century, with a prescription drug benefit for seniors.

- *The Growth Deficit*—Beginning in 2000, the economy began to decline. The slowdown and recession of 2000-01 already had taken a toll when the terrorists struck on September 11.





THE NEXT CHALLENGE

These were large and important problems that could not be ignored. No one should underestimate the challenges of the past 3 years—or the strength and resilience with which America has endured, and largely overcome, those challenges. But in addressing them, the Federal Government took on large costs—and the result was a budget deficit (see figures below). Correcting that deficit—getting back on the path to balance—is the next major challenge. It's one this budget tackles.

At the same time, however, this is not simply a green-eyeshade exercise; it's not just a matter of getting a batch of numbers to add up. The budget also has to support an agenda that reflects its principles for governing—which are to advance the Nation's *Strength, Growth,* and *Opportunity.*

Strength

There is no greater priority in this budget than protecting America. In the face of unprecedented threats to the Nation's domestic and international security, the National Defense and Homeland Security budgets ensure that the following overarching goals are advanced:

- *One: Win the Global War Against Terrorism.*
- *Two: Prepare for Future Challenges.*
- *Three: Protect America's Homeland.*

WINNING THE WAR AGAINST TERRORISM

Over the past 3 years, the budgets Congress has adopted began to address the defense deficit of the 1990's. Basic pay alone has increased 21 percent. Overall, the Department of Defense's annual budget has increased by more than $110 billion to prosecute the global war against terrorism and carry out military transformation.

The national defense budget embraced here—fully accommodating the President's request—is part of a multiyear plan enabling the military to fight the war against terrorism now, and to transform to counter unconventional threats in the future. This budget will: 1) continue to advance America's efforts in the global War Against Terrorism; 2) provide for a 7-percent increase for defense—which represents a 35-percent increase since 2001; make strides in transforming the Department to meet new threats; 4) continue to improve the quality of life for military personnel and their families.

In addition, this budget reflects the expected cost of $50 billion in its bottom line for ongoing operations in Iraq and Afghanistan for 2005. This is a mid-range estimate for anticipated annual costs. It is not an attempt to predetermine the scope of operations or which weapons and supplies DOD will need, but rather an effort to make the budget reflect a likely future outlay. During testimony to the Committee on 3 February 2004, the Director of the administration's Office of Management and Budget said: "If you want to assume that the level of our commitment in 2005 is going to be as robust as it has been in 2004, then you will have to add into our deficit number for 2005 something close to that $50 billion figure. My own expectation is that our needs there will be less, but we do not know."

PROTECTING THE HOMELAND

Since the attacks of September 11, Congress and the President have invested more than $50 billion, and created the Department of Homeland Security—reorganizing 22 agencies consisting of 180,000 employees, and adapting their missions. Threats such as bioterrorism have also been addressed vigorously.

As it does with defense, this budget recognizes the continued importance of ensuring that America's homeland is secure. The budget provides the Department of Homeland Security and related agencies with added resources to protect the Nation from terrorist attacks, focusing on:

- Improving security at the Nation's borders.
- Ensuring First Responders are properly trained and equipped.
- Reducing the vulnerability of the Nation's infrastructure.
- Protecting against bioterrorism.
- Advancing research in science and technology aimed at detecting and countering terrorist attacks.
- Improving intelligence analysis and coordination.

Growth

At this time a year ago, the Nation and its economy were still in the early stages of recovering from the slowdown and recession of 2000-01, and the terrorist attacks and their aftermath. The Nation faced uncertainties about war in Iraq; and the economy was still struggling to gain traction.

Congress and the President worked to put in place solid policies to deal with these challenges; and because of those efforts, the Nation is in a much different—and certainly, much better—position today.

GROWTH IN THE ECONOMY

Today's economy is showing robust growth, and strong growth is expected to continue. (A further discussion appears in the section of this report titled "Growth.") A principal goal of this budget is to double the economy in the next 15 years. One of the fundamental ways this budget encourages sustained growth is by supporting the policies that are currently working to boost the economy. In short, it ensures there will be no tax increases at this critical time in the Nation's economic recovery. It provides for:

- *No reduction in the child tax credit,* which otherwise will decrease from $1,000 per child to $700 per child in 2005 if not extended. In other words, the budget prevents a potential tax increase of $600 on a family with two children—from that provision alone—that would otherwise occur.
- *No increase in the marriage penalty.* The budget prevents a decline in the 15-percent bracket for a married couple, which would increase their marriage penalty taxes.

- *No increase in taxes resulting from lowering the upper threshold for the 10-percent bracket* (e.g., scheduled to decline from $14,300 for 2004 for joint filers to $12,000 in 2005 if not extended).

CONTROLLING SPENDING

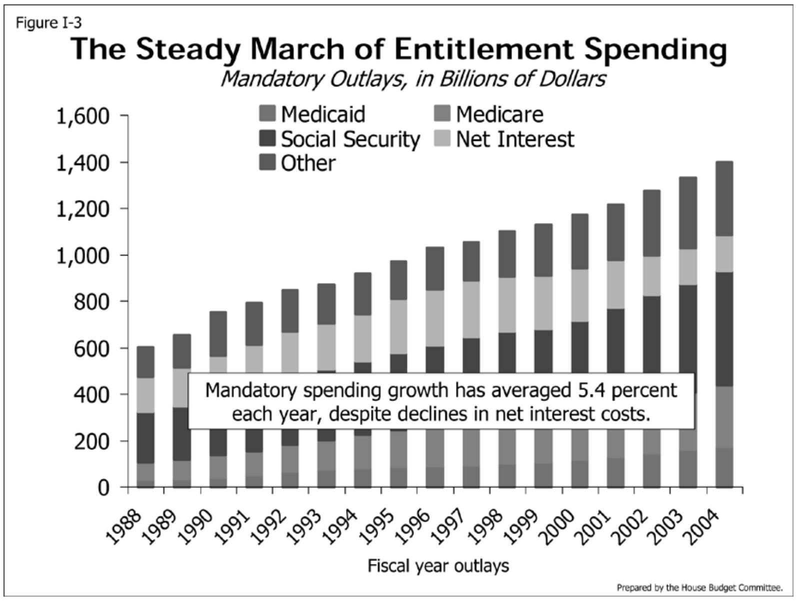
In addition to keeping the economy going, Congress must address the other side of the equation: controlling Federal spending. All spending must get paid for, either through taxes or borrowing—and both are burdens on the economy. Controlling spending eases that burden; and for that reason alone, controlling spending is itself a policy for sustaining economic growth.

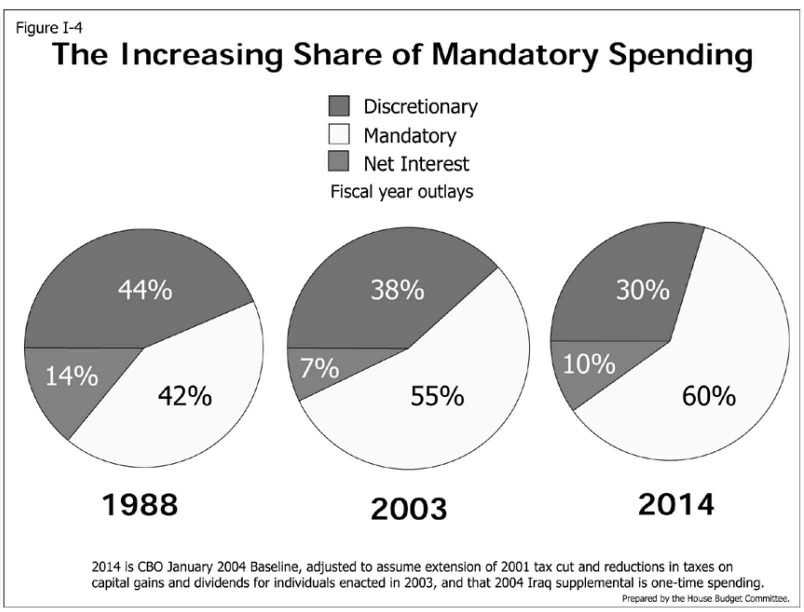
- *Discretionary Spending.* This budget holds the line on overall discretionary spending other than that for national defense and homeland security. This does not mean, however, that a level-funding restriction is mechanically applied to every program or activity.

  The budget is the broad blueprint of the Congress's general priorities. It is not designed or intended to bind the committees of Congress to any specific program choices. Within this framework, some priority areas may be increased, and lower priorities reduced. Those details will be worked out in the next round, when the committees of jurisdiction write their legislative provisions—as is envisioned by the procedures of the Budget Act. The Budget Committee's role is to set a broad, overall recommendation that reflects the Nation's priorities, and set the stage for the programmatic decisions that will be made by the committees of jurisdiction.

- *Mandatory Spending.* The budget also continues the call for program savings or elimination based on rooting out waste, fraud, and abuse in mandatory—or entitlement—programs.

  Entitlement spending is not a new problem. In 1974, the year the Budget Act was adopted, mandatory spending accounted for about 41 percent of the budget, and discretionary spending—which has to be approved each year—was about 51 percent. By 1988, mandatory spending had grown to 42 percent of the budget; discretionary was 44 percent (see figures below). Today, 30 years after adoption of the Budget Act, more than half of the budget is mandatory spending—*thus, more than half of the Federal Government's spending is on "autopilot."*





Mandatory programs in-and-of-themselves are not bad; many of them provide critical services. But Congress must get control of the growing wave of entitlement spending that has developed over the years.

Congress proved last year that there are huge amounts—*indefensible* amounts—of waste, fraud, and abuse in mandatory programs. So this budget begins the process of actually reducing or eliminating some of *the most outrageous* examples of waste in these programs.

Opportunity

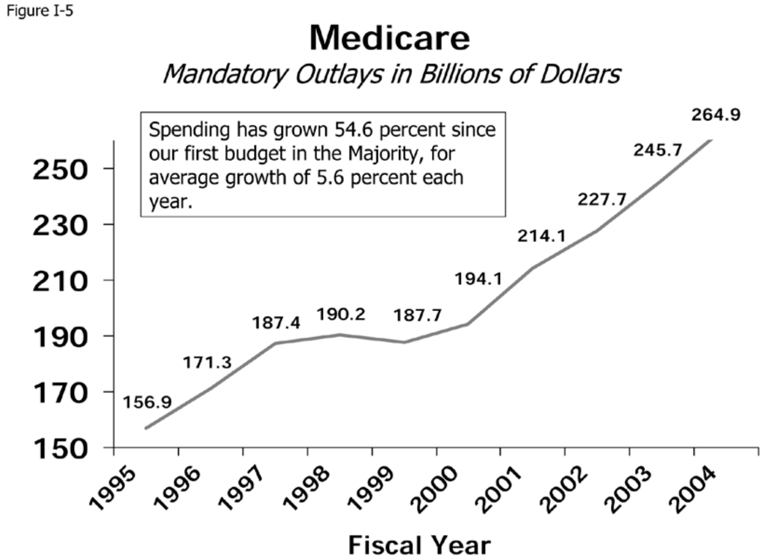
Opportunity is the third tenet of this budget, because without the first two—strength, ensuring that America is free and stays free; and growth, to remain the world's most prosperous superpower nation, with an ever-expanding economy and job market—America's opportunities would quickly diminish.

As this budget continues to strengthen the foundations that have provided a wealth of opportunity to Americans, it also maintains a commitment to educate Americans, help them through difficult periods, and provide for those who fought for this country.

MEDICARE

In just a few months' time all Medicare beneficiaries will have access to a discount card that will result in 10-percent to 15-percent savings for the average beneficiary—and up to 25-percent savings in some cases—on certain prescription drug costs. Low-income seniors also will receive a $600 subsidy in conjunction with their prescription drug discount card. This will be the first stage of the Medicare prescription drug coverage enacted by Congress and the President last year.

Figure I-5



Prepared by the House Budget Committee.

In addition to the new prescription drug benefit, there are a host of other positive changes to Medicare worth noting: They include: 1) strengthening its finances and addressing waste, fraud, and abuse by opening the program to the benefits of competition; 2) reforming its regulatory structure to ease the burden on Medicare providers; 3) making it easier for generic drugs to enter the market; 4) finally, addressing the payment equity issue between rural and urban areas.

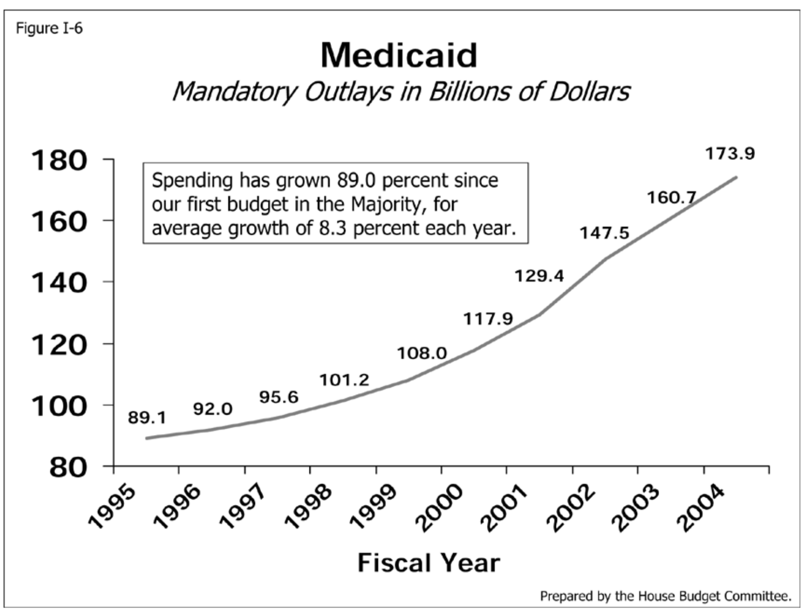
As part of the improvements in both benefits and the way the Medicare Program does business, this Congress and the President have also acted to transform the way Americans can plan for and manage their health care needs—adopting Health Savings Accounts [HSAs]. HSAs allow Americans to provide for their own medical needs much as they save for their family's future through individual retirement accounts, 401(k)s, education savings accounts, and the like.

These accounts will allow for two very important changes: 1) they will restore to consumers the ability to plan for, and make their own choices about, their own medical coverage; 2) they will help to address the long-term demographic and financial problems facing the Medicare Program.

MEDICAID

This budget continues the government's commitment to preserve and strengthen both Medicaid and the State Children's Health Insurance Program [SCHIP], which assist individuals and families who cannot afford health care coverage.

Since 1995, Medicaid spending has grown 95.2 percent, an average increase of 7.7 percent a year. Federal Medicaid outlays increased from $108.0 billion in 1999 to $173.9 billion this year, an average of 10 percent a year. Federal SCHIP spending grew from $1.4 billion in 1999 to an estimated $4.8 billion this year, an average annual increase of 27.9 percent.



Last year, Congress increased funding for the SCHIP program by 9 percent, and added additional funds to allow for Medicaid/SCHIP reform, extend the availability of expiring fiscal year 2000 SCHIP funds, and give States the option to extend Medicaid coverage to children with special needs. Over the next 5 years, the Congressional Budget Office estimates that Federal outlays for Medicaid will exceed $1 trillion.

WELFARE REFORM

This budget continues the Nation's commitment to assist lower-income Americans by funding such programs as the Temporary Assistance to Needy Families [TANF] block grant, child care funding, food stamps and child nutrition programs, and Head Start. It also accommodates H.R. 4, the Personal Responsibility, Work, and Family Promotion Act of 2003, which passed the House on 13 February 2003 and is awaiting action in the Senate.

Since TANF was enacted in 1996, welfare rolls have declined by 56 percent—with the vast majority of those individuals replacing their government dependence with the self-reliance of productive jobs. In fact, more than 3 million single mothers who have left welfare have been lifted out of poverty, mostly because of increased earnings. In that same period, child poverty fell to its lowest level in more than 25 years. Black and Hispanic child poverty have fallen to their lowest levels in history. This budget accommodates reauthorizing the TANF program at the President's level—$16.9 billion annually over 5 years.

EDUCATION

This resolution continues the Republican commitment to education, increasing budget authority by $2.9 billion in fiscal year 2005. This is intended to accommodate increases in priority programs, such as special education State grants, Title I grants to local education agencies, and Pell Grants for low-income college students.

Since 1996, under Republican control of Congress, the budget for the Department of Education has more than *doubled* (see Figure I–7). Education has received an annual average increase of 12 percent—sustained over 8 years. *No other Cabinet-level agency has grown as fast as Education over this period.* In the three large programs that now absorb about two-thirds of the agency's budget (see Figures I-8 through I-10 below): Title I funds to low-income schools have nearly doubled since 1996; Pell Grant funding has more than doubled in the same period; special education (funding for the Individuals with Disabilities Education Act [IDEA]) has more than *quadrupled* since 1996.

In addition to increased funding, Congress also passed the No Child Left Behind Act of 2001, which demands *results* from schools in exchange for Federal dollars. It works to forge a *real* link between education spending and classroom achievement, while focusing resources more sharply on underperforming schools.

The accountability standards in this law represent the greatest step forward in a generation in terms of the Federal contribution to K-12 education—an even larger stride than the funding increases of recent years.

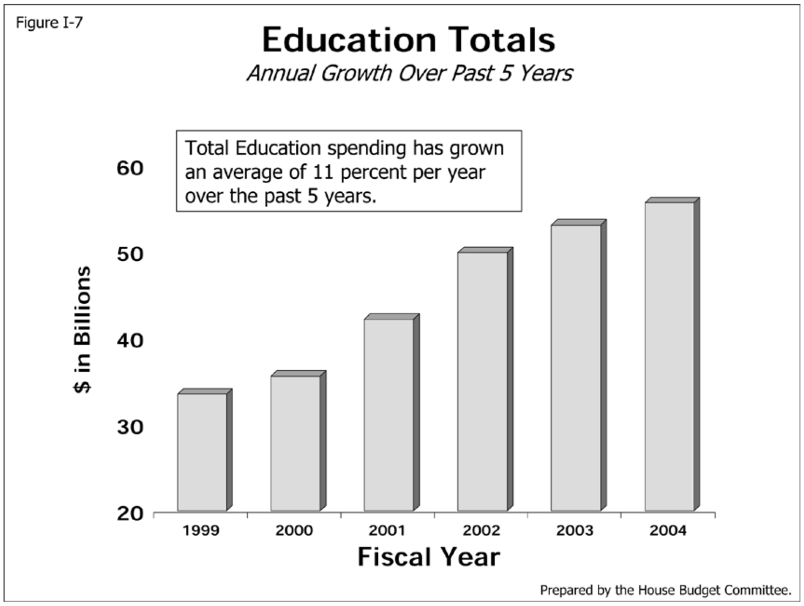


Figure I-7
Education Totals
Annual Growth Over Past 5 Years
Total Education spending has grown an average of 11 percent per year over the past 5 years.
60
50
40
30
20
$ in Billions
1999
2000
2001
2002
2003
2004
Fiscal Year
Prepared by the House Budget Committee.

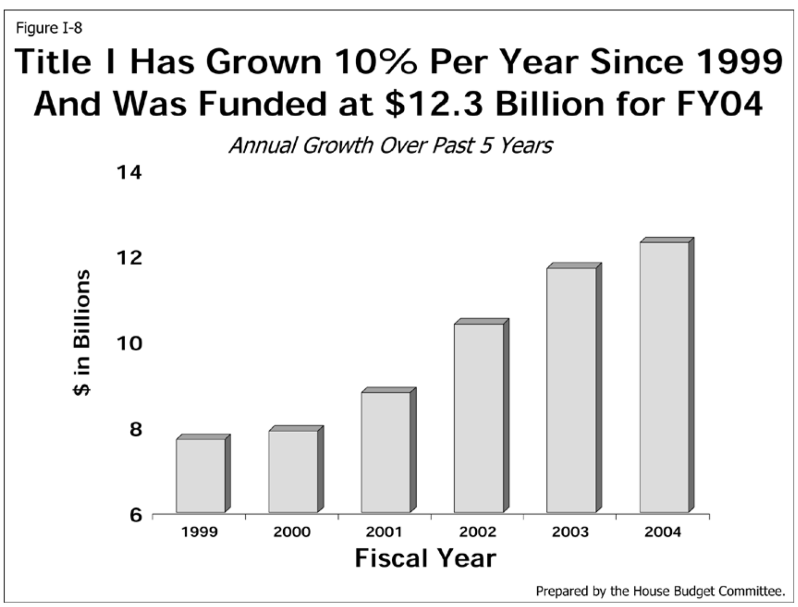
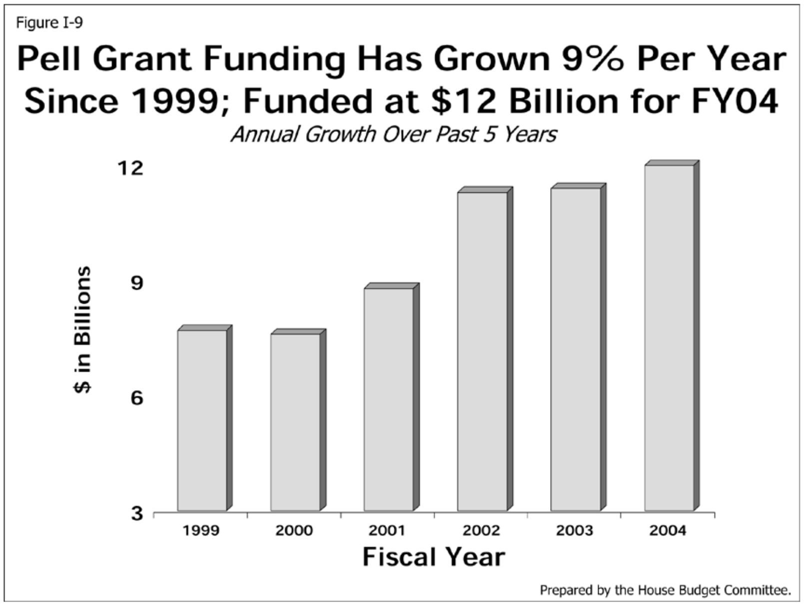
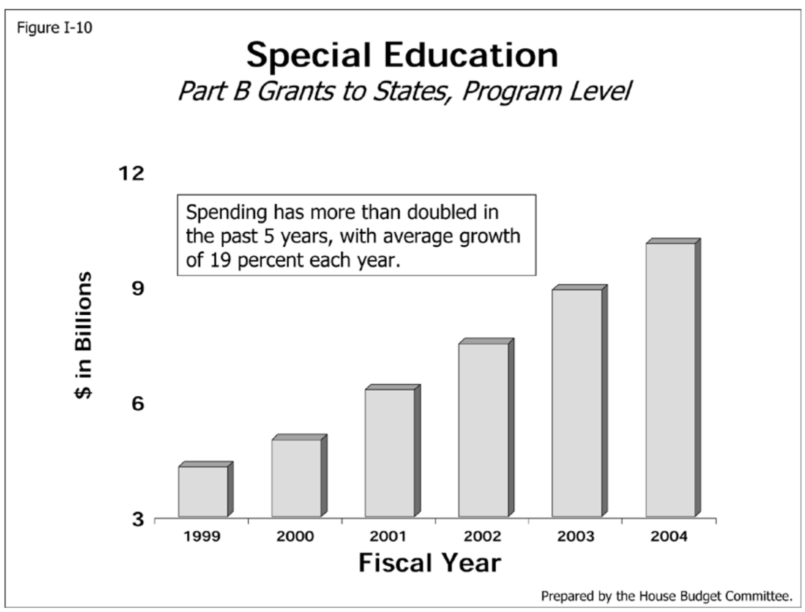


Figure I-8
Title I Has Grown 10% Per Year Since 1999
And Was Funded at $12.3 Billion for FY04
Annual Growth Over Past 5 Years
14
12
10
8
6
$ in Billions
1999
2000
2001
2002
2003
2004
Fiscal Year
Prepared by the House Budget Committee.





VETERANS

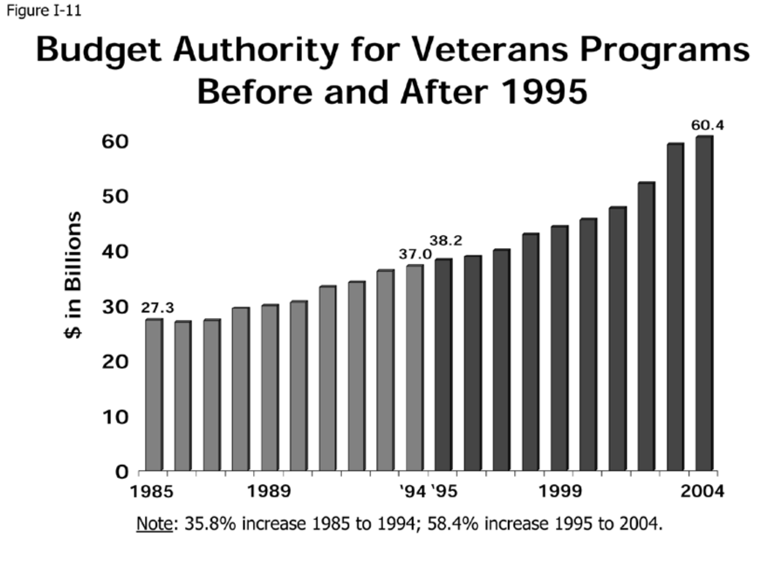
Americans' gratitude toward the Nation's 25 million veterans—the men and women who have secured America's freedom through their sacrifices—is beyond question. Over the past several years, Congress has shown the level of gratitude befitting the service of these men and women, through hefty increases in funding and substantial increase in benefits and services.

This budget provides for an additional $1.2 billion above the President's increase, which could be used for veterans medical care and medical and prosthetic research. Since 1995, monthly education benefit payment levels under the Montgomery GI Bill increased from $405 to $985. That percentage increase of 143 percent is far higher than the 35-percent increase during the preceding 10 years.

Since Republicans took the majority in Congress in 1995, great strides have been made in improving benefits for the Nation's veterans:

- In 1996 and 1999, Congress expanded eligibility for veterans medical care. It now includes Reserve and National Guard personnel called to active duty who are returning from Iraq and Afghanistan. The number of veterans using VA medical care has increased from 2.5 million in 1995 to 4.7 million today.
- Since 1995, total spending on veterans has increased from $38 billion to $60 billion. That is a 58-percent increase, compared with a 36-percent increase during the previous 10 years (see Figure I-11 below).

Figure I-11



- Payments per veteran rose from $1,368 in 1995 to $2,443 in 2004—a 79- percent increase, compared with a 39-percent increase during the previous 10 years.
- In just a decade, VA medical care funding has been increased by *75 percent*—from $16.2 billion to $28.3 billion—with especially large increases of 13 percent in both 2003 and 10.9 percent in 2004 (see chart below).

- For the 40 years prior to 1995, there was no progress on "concurrent receipt." Now, military retirees injured in combat, while training for combat, or who are 50 percent or more service-disabled can, for the first time in more than a century, receive retirement benefits concurrently with veterans disability compensation. This is the result of actions by this Congress.

With this budget, Congress continues its commitment to, and appreciation of, those who have served their country with pride, valor, and dignity.

Conclusion

This budget reflects the priorities and values of America today.

- By preventing tax increases, it ensures that the economy will keep moving forward, and will create more jobs. It protects the tax relief for married couples, parents, and those at the lower end of the income brackets.
- In the areas of defense and homeland security, it appropriately adds funding to the levels from last year so the Nation can defend itself and prosecute the global war against terrorism. It also recognizes that the cost of the conflict in Iraq and Afghanistan will have an effect on the bottom line. So it adds $50 billion to its projections to reflect a request expected later this year.
- It helps advance the opportunities this Nation provides by supporting important programs in medical care, education, and veterans' benefits, to name just a few.

Finally, while recognizing that the past few years have dealt this country a hand of challenging circumstances, this budget addresses head-on the deficits that have resulted—just as Congress and the President addressed the economy and the war against terror.

Through fiscal restraint and a commitment to addressing waste, fraud, and abuse, this budget will cut this deficit in half in less than 4 years.

Budgets are supposed to reflect priorities, and this budget does just that. It is the right formula for Strength, Growth, and Opportunity in America.

Growth: The Economy and Economic Assumptions

WHERE WE WERE: PROBLEMS THE ECONOMY HAS FACED

Over the past 4 years, the Nation has sustained a period unlike any other in its history—and one that, it is hoped, will never be repeated.

- Significant adverse events included the September 11 attacks and the increased risk and uncertainty associated with them; the military conflicts in Afghanistan and Iraq; the bursting of the stock market bubble of the late 1990's in early 2000 (and a harsh reaction to the corporate malfeasance and improper accounting practices that contributed to the bubble); the sharp declines in manufacturing and business investment that began in the middle of 2000, and the associated loss of jobs.
- Reflecting this confluence of events, the U.S. economy slowed dramatically beginning in the middle of 2000, and then entered a recession that lasted for most of 2001.
- After the recession, the economy entered a period of uneven recovery with continued sluggishness in manufacturing and labor markets. At this time last year, the Nation faced a backdrop of economic uncertainty—about the investment outlook, the strength of the economic recovery, and the international environment—the uncertainty about military conflict in Iraq, in particular.
- Only during the past year has the economy shown signs of strong growth with broad-based gains across the various sectors of the economy. In particular, manufacturing and labor markets—the hardest hit areas of the economy—are finally showing signs of sustained improvement.

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 economic recovery from the recession.

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

- *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 show 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 software. 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 show the tax relief totaling $185 billion over fiscal years 2003–04.

SUMMARY OF TAX RELIEF MEASURES, 2001–03

Legislation	Tax Relief Effects
The Economic Growth and Tax Relief Reconciliation Act of 2001	Tax relief of nearly $300 billion in 2001–04, and approximately $100 billion a year in subsequent years
The Job Creation and Worker Assistance Act of 2002	More than $100 billion in 2002–04
The Jobs and Growth Tax Relief Reconciliation Act of 2003	Tax relief of $185 billion over 2003–04

Altogether, the JCT estimates show that the combined tax relief over the 2001–04 period amounts 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.

Without the tax cuts, the recession would have been worse—with a deeper decline in real GDP, even greater job losses, and a slower recovery from the recession.

- The actual decline in real GDP following the economic slowdown and recession of 2000–01 was a relatively mild −0.5 percent, compared to the average recession decline of about −2¼ percent. Without the tax cuts, estimates show that the decline in real GDP would have been about twice as deep (at about −1.0 percent). In addition, real GDP growth following the recession would have been much slower than actually occurred.
- The increase in the unemployment rate resulting from the economic slowdown and recession of 2000–01 was 2.4 percentage points, somewhat less severe than the average increase of 3.2 percentage points during post-World War II recessions. Without the tax cuts, estimates show that the increase in the unemployment rate would have been as high as 4.0 percentage points—a much more severe result than on average for recessions.
- The decline in payroll employment resulting from the economic slowdown and recession of 2000–01 was 2.7 million jobs. Without the tax cuts, estimates show the decline in payroll jobs would have been much greater—around 4½ million.

The tax relief is still working in the economy. A significant portion of the 2003 tax relief is occurring in the first half of this year (the first and second quarters of 2004) as taxpayers are and will be receiving significant income tax refunds.

Independent private forecasters and government estimators also have acknowledged the beneficial economic effects of the tax relief of the past 3 years. For example:

- At the time of the passage of the 2001 tax relief legislation, one respected private forecaster (Macroeconomic Advisers of St. Louis) stated: "* * * once in a while we get lucky, and fiscal policy delivers a well-timed dose of stimulus. This year's tax cut is perhaps the best such example in recent memory."
- In early 2003, private forecasters generally agreed that President Bush's proposed "growth and jobs" 2003 tax relief plan (which was similar to what ended up being enacted) would boost real GDP and jobs growth and lower unemployment. The average of private forecasters' estimates showed real GDP being boosted by 1¼ percent over 2003–04 and the unemployment rate being reduced by ¾ percentage point (from the effects of the 2003 tax relief alone).
- Early last year, the CBO estimated that the President's fiscal year 2004 budget proposals and tax relief would boost real GDP by about 1 percent to 1½ percent by 2005, and boost employment by about 1 percent to 1¼ percent by 2005.
- Similarly, the JCT's estimate of the macroeconomic effects of the JGTRRA tax relief legislation showed that the tax relief would boost real GDP by 0.2 percent to 0.9 percent on average over the 2003–08 period, with employment boosted by 0.2 percent (about 230,000 new jobs) to 0.8 percent (about 900,000 new jobs) on average over 2003–08.
- Federal Reserve Chairman Greenspan, in reference to the 2003 tax relief, stated: "Fortuitously, this particular cut in taxes is happening at the right time, although I doubt very much one could have planned that in advance."

Although Macroeconomic Advisers used the word "lucky," and Chairman Greenspan used the word "fortuitously," the truth is that the tax cuts—and their intended beneficial economic effects—were very much so planned in advance.

- President Bush and congressional Republicans have been ongoing advocates of tax relief for promoting enhanced economic performance for many years. Tax relief proposals have been included in all of the President's budget submissions.
- In March 2003, the Committee on the Budget's report accompanying the House budget resolution advocated additional tax relief to help bolster the economy: "Doing nothing is unwise * * * * it isn't wise to sit back and wait and hope for monetary policy to work and for the economy to recover on its own * * * * The President and Congress should act to adopt policies that will promote growth and job creation." In April 2003, Congress passed a budget resolution that included significant additional tax relief over the next decade, but with the bulk of the tax relief occurring over the 2003–04 period.

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 have boosted interest-sensitive spending, including consumer durable goods, business equipment investment, and residential housing construction.

WHERE WE ARE:
CURRENT STATUS OF THE ECONOMY

On nearly every important score, data now show the U.S. economy has been growing strongly, with a broad-based expansion across the various sectors of the economy. Tax relief played a major role in helping to get the economy growing again.

Even so, labor market data provide a confusing picture of the extent of improvements in the employment situation.

- The unemployment rate has fallen significantly since last summer—falling to 5.6 percent in February from last June's peak of 6.3 percent.
- In contrast, payroll jobs growth has shown modest gains over the past 6 months—364,000 since September (or a monthly average of about 60,000). Analysts have been expecting stronger jobs growth, with monthly gains in jobs in the 150,000 to 200,000 range.

Despite the recent labor market uncertainties, the Office of Management and Budget [OMB], the Congressional Budget Office [CBO], private forecasters and the Federal Reserve all expect that the economy will continue growing at a fairly strong pace during 2004 and through 2005.

Labor markets also are expected to improve substantially, with further declines in the unemployment rate and significant payroll jobs growth. *Private analysts are expecting jobs growth through the remainder of this year of around 1½ million to 2 million jobs.*

- In a February survey in *The Wall Street Journal,* 75 percent of private forecasters said they expected jobs growth through October 2004 of between 1 million and 2 million.
- *A National Association of Business Economists* February survey of private forecasters showed an expected average gain of about 1.8 million jobs by the end of the year. Those numbers represent monthly jobs gains of about 150,000 per month.

In the mean time, the list of *"Good News"* about the economy is impressive, including:

- *Real GDP growth* was 4.1 percent at an annual rate in the fourth quarter of 2003, following the 8.2-percent growth rate of the third quarter—the highest pace in two decades. Real GDP growth during the second half of 2003 was at a 6.1-percent annual rate—the highest two-quarter growth in two decades as well.
- *Manufacturing activity* soared at the end of 2003 and into the beginning of 2004—registering the highest pace of activity in 20 years.

- *Industrial production* rose at a 6 percent annual rate during the second half of 2003, its fastest 6-month rate of increase in 3½ years. Growth continued at that strong pace into 2004, with industrial production rising at a 0.8 percent rate in January and a 0.7 percent rate in February.
- *Real fixed business investment* rose at a 11-percent annual rate over the second half of 2003, its fastest rate of growth in 2½ years.
- *Real business equipment investment* rose at a 16-percent annual rate over the second half of 2003, its fastest rate of growth in over 6 years.
- *U.S. real exports of goods and services* rose at a 21 percent annual rate in the fourth quarter, the fastest pace in 7 years.
- *Housing starts* have been running at their highest levels in 20 years.
- *Stock markets* have increased significantly: the Dow Jones industrials average is about 30 percent higher than in March 2003.
- *Household wealth*, reflecting the gains in stock markets and rising housing values, rose to a record level at the end of 2003.

The unemployment rate fell to 5.6 percent in February, down from 6.3 percent last June.

- *Employment* as measured in the "household" survey has recovered to the level that preceded the recession (the household survey includes the self-employed and is not subject to the downward measurement bias for new business employment as in the establishment survey). Payroll employment in the "establishment" survey has increased by 364,000 jobs over the past 6 months.
- *Hiring plans:* The business outlook for hiring is the best it has been in more than 3 years. The Manpower survey recently showed that, on net, 22 percent of businesses are planning an increase in hiring in the April-to-June period. That is an equivalent level to what occurred during the second half of the 1990's.
- *Interest rates* are low: mortgage rates have been running at their lowest levels in more than 3 decades; the bank prime is at its lowest level in 45 years.
- *Inflation* is low: consumer price inflation (the consumer price index [CPI], and core CPI, excluding food and energy) is at its lowest rate in nearly 4 decades.

WHERE THINGS ARE GOING: ECONOMIC PROJECTIONS

The economic projections from the administration, CBO, and private forecasters reveal the consensus outlook for continued strong growth in the economy, following on the heels of last year's economic rebound (see table 1).

The various forecasts show projections for strong real GDP growth in 2004 in the range of 4.4 percent to 4.8 percent: 4.8 percent for the CBO, 4.7 percent for the private Blue Chip consensus, and 4.4 percent for the Administration.

Relatively strong growth is expected to continue beyond 2004, with CBO projecting real GDP growth at 4.2 percent in 2005, the administration at 3.6 percent and the Blue Chip at 3.8 percent.

Reflecting the stronger growth in the economy, the unemployment rate is projected to decline in 2004 and 2005, falling from the 6.0 percent average for 2003 to around 5.6 percent to 5.8 percent in 2004 and to the 5.3 percent to 5.4 percent range in 2005.

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.

The broad policies of the budget resolution—including spending restraint, no tax increases, and declining budget deficits—are expected to be beneficial for the performance of the economy.

- All government spending must be paid for—through taxes or borrowing—and both are burdens on the economy. Raising taxes—even if the intent is to close deficits—does not by itself reduce the economic burden of government spending. The true measure of the burden of government on the economy is the overall level of spending.
- Spending restraint itself—like that in the budget resolution—is an important form of pro-growth policy.
- Federal Reserve Chairman Greenspan also has warned about the need to restrain government spending and keep the tax burden low in order to promote economic growth: “Tax rate increases of sufficient dimension to deal with our looming fiscal problems arguably pose significant risks to economic growth and the revenue base. The exact magnitude of such risks are very difficult to estimate, but they are of enough concern, in my judgment, to warrant aiming to close the fiscal gap primarily, if not wholly, from outlay restraint.”

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

TABLE 1.—ECONOMICS PROJECTIONS: ADMINISTRATION, CBO, AND PRIVATE FORECASTERS

[Calendar years]

	Actual	Forecast		Projected annual average
	2003	2004	2005	2005–2009
Real GDP (percent change, year over year):				
Administration	3.1	4.4	3.6	3.3
CBO	3.1	4.8	4.2	3.1
Blue Chip, March	3.1	4.7	3.8	3.3
GDP Price Index (percent change, year over year):				
Administration	1.6	1.2	1.3	1.7
CBO	1.6	1.1	1.1	1.6
Blue Chip, March	1.6	1.4	1.6	1.9
Consumer Price Index (percent change, year over year):				
Administration	2.3	1.4	1.5	2.1
CBO	2.3	1.6	1.7	2.1
Blue Chip, March	2.3	1.8	1.9	2.2
Unemployment rate (percent, annual average):				
Administration	6.0	5.6	5.4	5.2
CBO	6.0	5.8	5.3	5.2
Blue Chip, March	6.0	5.6	5.3	5.2
3-Month Treasury Bill Rate (percent, annual average):				
Administration	1.0	1.3	2.4	3.7
CBO	1.0	1.3	3.0	4.2
Blue Chip, March	1.0	1.2	2.4	3.5
10-Year Treasury Note Yield (percent, annual average):				
Administration	4.0	4.6	5.0	5.5
CBO	4.0	4.6	5.4	5.5
Blue Chip, March	4.0	4.5	5.2	5.5

TABLE 2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION

[Calendar years, 2004–2009]

	2004	2005	2006	2007	2008	2009
Real GDP (percent change, year over year)	4.8	4.2	3.2	2.7	2.8	2.8
GDP Price Index (percent change, year over year)	1.1	1.1	1.5	1.8	1.9	1.9
Consumer Price Index (percent change, year over year)	1.6	1.7	2.0	2.2	2.2	2.2
Unemployment Rate (percent, annual average)	5.8	5.3	5.0	5.1	5.2	5.2
3-month Treasury Bill Rate (percent, annual average)	1.3	3.0	4.0	4.6	4.6	4.6
10-year Treasury Note Yield (percent, annual average)	4.6	5.4	5.5	5.5	5.5	5.5

REVENUE

REVENUE

[On-budget totals, in billions of dollars by fiscal year]

	2004	2005	2006	2007	2008	2009	2005–2009
On-budget total	1,273.0	1,457.2	1,619.8	1,721.6	1,818.6	1,922.1	8,539.3

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.

Summary of Committee-Reported Resolution

The budget resolution calls for $1.457 trillion in on-budget revenue for fiscal year 2005, and $8.539 trillion over 2005-09. Total revenue in the budget resolution is $2.029 trillion for fiscal year 2005 and $11.691 trillion over 2005-09. The resolution assumes policies with a revenue impact of $19.919 billion for fiscal year 2005 and $145.799 billion over 2005-09. These effects are principally the result of preventing automatic tax increases that would otherwise occur.

Although the budget resolution does not explicitly define specific changes in tax policy, the revenue levels of the resolution are consistent with a general policy of not increasing taxes compared to policies currently in place. In particular, the resolution includes adjustments to revenue of sufficient size to accommodate continuation of specific provisions that are set to expire, including:

- *No tax increase for those claiming the child tax credit.* The resolution provides for retaining the current credit level of $1,000 per child. It assumes Congress will act to prevent a reduction in the credit, to $700 per child, scheduled to occur in 2005. In other words, the budget resolution accommodates changes to prevent a potential tax increase of $600 on a family with two children from that provision alone that would otherwise occur.

- *No increase in the marriage penalty.* The budget resolution accommodates changes to prevent a scheduled reduction in the upper bound of the 15-percent bracket for a married couple.
- *No increase in taxes resulting from a reduction in the upper threshold for the 10-percent income tax bracket* (e.g., scheduled to decline from $14,000 adjusted for inflation in 2004 for joint filers to $12,000 in 2005 if not extended).

Additional tax relief from the 2001 and 2003 tax relief legislation that is accommodated in the budget resolution includes extending the small business expensing limits (the expensing of business equipment spending is scheduled to fall back to a limit of $25,000 in 2005, from the inflation-indexed level of $100,000 for 2003 and subsequent years).

Extension of bonus depreciation for corporate investment spending is not accommodated, reflecting the original intent of it serving as a temporary, short-run stimulus at the time of its adoption in 2002 and its extension in 2003.

The budget resolution sets the on-budget revenue level of the Federal Government for the current and following 5 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 1 October 2004, making adjustments in current law to prevent tax increases of $13.182 billion in fiscal year 2005 and $137.580 billion for fiscal years 2005-09. These reconciled tax adjustments provide the full amount necessary to prevent tax increases from the provisions of law enacted in 2001 and 2003. The President's budget proposals assumed these amounts as a baseline adjustment.

TAX REVENUE OVER TIME

Total Federal tax revenues 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 taxes are projected to rise from 16.8 percent of GDP in 2005 to 18.0 percent of GDP in 2009 a return to the historical average. The increase in Federal 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 highlights the need to regularly adjust tax policies to avoid an ever-increasing tax burden in our economy.

Function By Function Description

The budget is the broad blueprint of the Congress's general priorities. It is not designed or intended to bind the committees of Congress to any specific program choices. Within this framework, some priority areas may be increased, and lower priorities reduced. Those details will be worked out in the next round, when the committees of jurisdiction write their legislative provisions as is envisioned by the procedures of the Budget Act. The Budget Committee's role is to set a broad, overall recommendation that reflects the Nation's priorities, and set the stage for the programmatic decisions that will be made by the committees of jurisdiction. The following presentation shows the resolution's recommended distribution of budget authority and outlays according to broad categories called "budget functions."

The budget functions presented here are as follows:

050 National Defense
100 Homeland Security
150 International Affairs
250 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
750 Administration of Justice
800 General Government
900 Net Interest
920 Allowances
950 Undistributed Offsetting Receipts

FUNCTION 050: NATIONAL DEFENSE

Function Summary

Function 050 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 Subfunction 051—Department of Defense [DOD] military activities; the remaining funding in the function applies to atomic energy defense activities of the Department of Energy (Subfunction 053), and other defense-related activities (Subfunction 054). Please note that the resolution carries Function 053 and 054 Homeland Security spending in Function 100.

Function 050 BA rose from $292.1 billion in 1999 to $463.6 billion in 2004, a 9.7-percent average annual growth rate. During the same time period, outlays rose from $274.9 billion to $452.9 billion, a 10.5-percent average annual growth rate (these figures include the effects of supplemental spending). The largest component of this was the budget of the Department of Defense, whose budget authority grew from $278.4 billion in 1999 to $443.8 billion in 2004, a 9.8-percent average annual increase.

Summary of Committee-Reported Resolution

The resolution calls for $419.6 billion in budget authority and $447.1 billion in outlays in fiscal year 2005. The function totals are $2,320.6 billion in budget authority and $2,284.9 billion in outlays over 5 years. Mandatory spending is $1.4 billion in budget authority and $2.4 billion in outlays in fiscal year 2005, and totals $15.8 billion in budget authority and $16.9 billion in outlays over 5 years. Discretionary spending is $418.3 billion in budget authority and $444.7 billion in outlays in fiscal year 2005; and over 5 years, it is $2,304.7 billion in budget authority and $2,267.9 billion in outlays.

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. The resolution assumes 2005 mandatory spending that matches the President's request. For 2004, the resolution accommodates $13 million to retroactively compensate service members for purchase of domestic airline tickets used for travel from the Iraq theater of war to their final destination. The Supplemental Appropriations Act for Fiscal Year 2004 (Public Law 108–106) specified that funds be used to reimburse service members, but DOD did not authorize disbursement until 19 December 2003. Under current government compensation rules, no decision can be implemented retroactively; hence there is a need to allocate direct spending to fund a provision that would specifically reimburse service members not compensated under the supplemental appropriation.

DISCRETIONARY SPENDING

Figures show a recommended increase of 7 percent (excluding the 2004 supplemental), fully accommodating the President's request.

Department of Defense discretionary funding, at $401.8 billion, matches the President's request. The national defense budget presented here is part of a multiyear plan enabling the military to fight the war against terrorism now, and to transform to counter unconventional threats in the future. Elsewhere (in Function 920) the resolution includes $50 billion to anticipate additional needs in the Afghanistan and Iraq theaters. This is a mid-range estimate for anticipated annual costs. It is not an attempt to predetermine the scope of operations or which weapons and supplies DOD will need, but rather an effort to make the budget reflect a likely future outlay.

A special procedure provided for in the budget resolution would exempt appropriations related to the global war on terrorism, and hence a supplemental appropriations toward this end will not trigger a point at order.

A saving of $199 million from the request in Functions 053 and 054 can be attributed to the effort to maintain level funding in nonsecurity areas of the budget; it should be noted, however, that the 2005 resolution total for these functions is $543 million more than the previous year's appropriations. This modest adjustment does not affect Department of Defense funding or ongoing contingency operations.

FUNCTION 100: HOMELAND SECURITY

Function Summary

This resolution includes a new budget function, Function 100: Homeland Security. This addition is necessary because, since September 11, 2001, homeland security has become an important separate spending category.

Function 100 comprises all Homeland Security funding in the Federal Government, excluding the portion provided by the Department of Defense. According to the Office of Management and Budget, Homeland Security is defined as "a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur." About 58 percent of Homeland Security spending occurs in the Department of Homeland Security [DHS]. Other agencies with significant Homeland Security spending in the President's request include the Department of Defense (21 percent of requested Homeland Security funding, which the resolution carries in Function 050); the Department of Health and Human Services (9 percent); Department of Justice (5 percent); Department of Energy (3 percent); Department of Transportation (1 percent); and the Department of Agriculture (less than 1 percent).

Function 100 budget authority rose from $14.3 billion in 2001 to $29.6 billion in 2004, a 27.4-percent average annual growth rate. During the same period, outlays rose from $13.1 billion to $24.8 billion, a 23.7-percent average annual growth rate. The largest component of this was the budget of the Department of Homeland Security, whose discretionary budget authority for Homeland Security spending grew from $10.0 billion in 2001 to $23.5 billion in 2004, a 33.0-percent average annual increase.

Summary of Committee-Reported Resolution

The resolution calls for $34.1 billion in budget authority and $30.0 billion in outlays in fiscal year 2005. The function totals are $179.8 billion in budget authority and $174.3 billion in outlays over 5 years. Mandatory spending is $0.7 billion in budget authority and $0.5 billion in outlays in fiscal year 2005, and totals $5.9 billion in budget authority and $5.8 billion in outlays over 5 years. Discretionary spending is $33.4 billion in budget authority and $29.5 billion in outlays in fiscal year 2005; and over 5 years, it is $173.9 billion in BA and $168.5 billion in outlays.

MANDATORY SPENDING

The resolution allows for the President's mandatory policies for Homeland Security. Most mandatory spending in this function consists of fee-funded activities. The collection of fees, mostly by the Transportation Security Administration [TSA], is the largest mandatory component. Mandatory spending finances some additional homeland security activities, generally border protection and immigration enforcement. Most of that spending is offset by immigration and customs user fees, which the budget records as offsetting receipts.

The resolution assumes enactment of the House-passed Armed Forces Naturalization Act (H.R. 1954) which waives the application fees and shortens from 3 years to two the required length of service an individual must serve in the Armed Forces in order to become a naturalized U.S. citizen. On enactment, the measure would be retroactive to 11 September 2001. Because enactment would result in a reduction in immigration fees, it would increase mandatory spending by $1 million in 2003 and by $12 million in 2004.

DISCRETIONARY SPENDING

The resolution fully accommodates the President's request for homeland security, less a 0.5-percent efficiency savings. The resolution notes the Views and Estimates letter of the Select Committee on Homeland Security, which states: "The Committee is concerned that the Department [of Homeland Security] has not provided Congress with a comprehensive threat and vulnerability analysis to support the budgetary decisions and priorities contained in the DHS budget proposal. Without such analysis and budgetary justification, it is difficult for the Committee to fully and fairly evaluate whether the funding amounts and priorities contained in the DHS budget proposal are indeed appropriate."

Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 150: INTERNATIONAL AFFAIRS

Function Summary

Function 150 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 Departments of State and Treasury, the United States Agency for International Development, and the Millennium Challenge Corporation.

Function 150 budget authority rose from $37.9 billion in 1999 to $43.6 billion in 2004, a 2.9 percent average annual growth rate. During the same time period, outlays rose from $15.2 billion to $29.3 billion, a 14.0 percent average annual growth rate. The largest component of this was the budget of the Department of State, whose budget authority grew from $8.8 billion in 1999 to $10.6 billion in 2004, a 3.7 percent average annual increase.

Summary of Committee-Reported Resolution

The resolution calls for $26.5 billion in budget authority and $32.8 billion in outlays in fiscal year 2005. The function totals are $138.5 billion in budget authority and $140.0 billion in outlays over 5 years. Mandatory spending is −$0.4 billion in budget authority and −$3.0 billion in outlays in fiscal year 2005, and totals $2.8 billion in budget authority and −$13.0 billion in outlays over 5 years. Discretionary spending is $26.9 billion in budget authority and $35.8 billion in outlays in fiscal year 2005; and over 5 years, it is $135.8 billion in budget authority and $153.0 billion in outlays.

The negative budget authority and outlay levels in mandatory spending reflect receipts of the Foreign Military Sales Trust Fund, interest income earned on U.S. Government securities held by the Exchange Stabilization Fund, and the liquidation of economic assistance loans, foreign military financing loans, Export-Import Bank loans, loans to the United Kingdom, and loan guarantees to Israel.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function. In fiscal year 2005, the mandatory BA and outlay levels are negative, reflecting receipts of the Foreign Military Sales Trust Fund, and the liquidation of economic assistance loans, foreign military financing loans, Export-Import Bank loans, loans to the United Kingdom, and loan guarantees to Israel.

DISCRETIONARY SPENDING

Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 250: GENERAL SCIENCE, SPACE AND TECHNOLOGY

Function Summary

Function 250 consists of General Science, Space and Technology programs. 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].

Function 250 budget authority rose from $18.9 billion in 1999 to $22.8 billion in 2004, a 3.9-percent average annual growth rate. During the same period, outlays rose from $18.1 billion to $21.9 billion, a 3.9-percent average annual growth rate.

Summary of Committee-Reported Resolution

The resolution calls for $22.8 billion in budget authority and $22.5 billion in outlays in fiscal year 2005. The function totals are $115.2 billion in budget authority and $113.5 billion in outlays over 5 years. Mandatory spending is $3 million in budget authority and $111 million in outlays in fiscal year 2005, and totals $154 million in budget authority and $321 million in outlays over 5 years. Discretionary spending is $22.8 billion in budget authority and $22.3 billion in outlays in fiscal year 2005; and over 5 years, it is $115.1 billion in budget authority and $113.2 billion in outlays.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function.

DISCRETIONARY SPENDING

Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 270: ENERGY

Function Summary

Function 270 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 U.S. Enrichment Corporation, the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission.

Function 270 budget authority rose from $979 million in 1999 to $2.3 billion in 2004, an 18.9-percent average annual growth rate. During the same time period, outlays dropped from $911 million to $59 million, a 42.2-percent average annual reduction rate. Receipts, repayments, and electricity sales (negative spending) result in negative budget authority and are the primary causes for the drop in outlays.

Summary of Committee-Reported Resolution

The resolution calls for $2.9 billion in budget authority and $1.2 billion in outlays in fiscal year 2005. The function totals are $13.0 billion in budget authority and $5.2 billion in outlays over 5 years. Mandatory spending is −$0.6 billion in budget authority and −$2.3 billion in outlays in fiscal year 2005. Over the 2005–09 period, mandatory spending is −$4.7 billion in budget authority and −$12.7 billion in outlays due to increasing offsetting receipts from various loan repayments and liquidations, electricity sales, and fees. Discretionary spending is $3.5 billion in budget authority and $3.5 billion in outlays in fiscal year 2005; and over 5 years, it is $17.6 billion in budget authority and $17.9 billion in outlays.

MANDATORY SPENDING

As noted, the negative figures in mandatory spending result from increasing offsetting receipts from various loan repayments and liquidations, electricity sales, and fees.

The resolution accommodates the conference version of the H.R. 6, the Energy Policy Act of 2003, which passed the House on 18 November 2003, but has not been passed by the Senate. The accommodation is necessary to allow for a potential conference agreement. The assumption 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

Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

Function Summary

Function 300 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].

Function 300 budget authority rose from $24.4 billion in 1999 to $32.0 billion in 2004, a 5.6-percent average annual growth rate. During the same period, outlays increased from $24.0 billion to $30.2 billion, a 4.7-percent average annual increase.

Summary of Committee-Reported Resolution

The resolution calls for $31.2 billion in budget authority and $30.9 billion in outlays in fiscal year 2005. The function totals are $159.6 billion in budget authority and $159.9 billion in outlays over 5 years. Mandatory spending is $2.7 billion in budget authority and $1.8 billion in outlays in fiscal year 2005. Over the 2005–09 period, mandatory spending increases by $15.7 billion in budget authority and $15.3 billion in outlays. Discretionary spending is $28.5 billion in budget authority and $29.1 billion in outlays in fiscal year 2005; and over 5 years, it is $143.9 billion in budget authority and $144.6 billion in outlays.

MANDATORY SPENDING

The assumptions accommodate legislation, H.R. 313, to assist the United Mine Workers of America Combined Benefit Fund in averting financial crisis by transferring to it any additional interest from the Abandoned Mine Land Reclamation Fund. The measure was reported by the Committee on Resources on 1 October 2003. The resolution also accommodates legislation that passed the House last year and is awaiting Senate action to increase the waiver requirement for certain local matching requirements for grants provided to American Samoa, Guam, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands. These assumptions are reflected in the allocation to the Committee on Natural Resources, which is free to determine its own policies within the allocation limits. The accommodations are necessary to allow for a potential conference agreement.

DISCRETIONARY SPENDING

The resolution can accommodate full funding for the Healthy Forests Initiative legislation (H.R. 1904) signed into law last year. The Healthy Forests Initiative is a critical tool for reducing the threat of severe wildfire and insect infestation in heavily forested communities.

The resolution also can accommodate full funding for numerous other Federal agencies and programs, including the Army Corps of Engineers, the Superfund program, and reducing the Operations and Maintenance backlog within the National Park Service.

Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 350: AGRICULTURE

Function Summary

Function 350 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.

Function 350 budget authority fell from $23.9 billion in 1999 to $19.9 billion in 2004, a 3.6-percent average reduction rate. During the same time period, outlays dropped from $22.9 billion to $18.4 billion, a 4.3-percent average annual reduction rate. The primary reason for this reduction is more favorable overall commodity prices. 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 $21.1 billion in budget authority and $20.5 billion in outlays in fiscal year 2005. The function totals are $117.7 billion in budget authority and $112.9 billion in outlays over 5 years. Mandatory spending is $16.3 billion in budget authority and $15.4 billion in outlays in fiscal year 2005. Over the 2005–09 period, mandatory spending increases by $93.4 billion in budget authority and $88.4 billion in outlays. Discretionary spending is $4.8 billion in budget authority and $5.1 billion in outlays in fiscal year 2005; and over 5 years, it is $24.3 billion in budget authority and $24.6 billion in outlays.

MANDATORY SPENDING

The resolution assumes no new mandatory spending proposals.

DISCRETIONARY SPENDING

The resolution can accommodate full funding for enhanced efforts to protect our food supply from Bovine Spongiform Encephalopathy [BSE], or Mad Cow Disease, as well as other important food safety and agricultural research programs within Function 350. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

Function Summary

Function 370 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 derived 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.

Function 370 budget authority rose from $9.3 billion in 1999 to $17.2 billion in 2004, a 13.1-percent average annual growth rate. During the same period, outlays rose from $1.6 billion to $12.8 billion, a 51.6-percent average annual growth rate. (For growth comparison purposes, totals include homeland security funding now found in Function 100.)

Summary of Committee-Reported Resolution

For on-budget amounts, the resolution calls for $10.8 billion in budget authority and $5.8 billion in outlays in fiscal year 2005. The function totals are $50.0 billion in budget authority and $23.3 billion in outlays over 5 years. Mandatory spending is $9.7 billion in budget authority and $4.7 billion in outlays in fiscal year 2005, and totals $44.4 billion in budget authority and $17.7 billion in outlays over 5 years. Discretionary spending is $1.1 billion in budget authority and $1.0 billion in outlays in fiscal year 2005; and over 5 years, it is $5.6 billion in budget authority and $5.6 billion in outlays.

MANDATORY SPENDING

The resolution accommodates the following measures: H.R. 758, the Business Checking Freedom Act, which passed the House on 1 April 2003; H.R. 522, the Federal Deposit Insurance Reform Act of 2003, which passed the House on 2 April 2003; and H.R. 1375, the Financial Services Regulatory Relief Act of 2003, which passed the House on 17 March 2004. The accommodations are is necessary to allow for potential conference agreement. All three bills are awaiting action in the Senate. The assumptions are reflected in the allocation to the Committee on Financial Services.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how funds will be apportioned among the various discretionary programs. Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 400: TRANSPORTATION

Function Summary

Function 400 includes the Federal Highway Administration; the Federal Transit Administration; the National Rail Passenger Corporation [Amtrak]; highway, motor carrier and rail safety programs; the Federal Aviation Administration; the aeronautical activities of the National Aeronautics and Space Administration [NASA]; the Coast Guard; and the Maritime Administration.

Function 400 budget authority rose from $51.6 billion in 1999 to $69.2 billion in 2004, a 6.0 percent average annual growth rate. During the same time period, outlays rose from $42.5 billion to $65.7 billion, a 9.1-percent average annual growth rate. The largest component of this was the Federal-Aid Highways program, whose budget authority grew from $29.3 billion in 1999 to $33.4 billion in 2004, a 2.7 percent average annual increase. (For growth comparison purposes, totals include homeland security funding.)

Summary of Committee-Reported Resolution

The resolution calls for $65.0 billion in budget authority and $62.0 billion in outlays in fiscal year 2005. The function totals are $339.4 billion in budget authority and $328.3 billion in outlays over 5 years. Mandatory spending is $47.2 billion in budget authority and $2.0 billion in outlays in fiscal year 2005, and totals $249.6 billion in budget authority and $8.8 billion in outlays over 5 years. Discretionary spending is $17.8 billion in budget authority and $60.1 billion in outlays in fiscal year 2005; and over 5 years, it is $89.8 billion in budget authority and $319.5 billion in outlays. Homeland security components formerly found in Function 400 including the Transportation Security Administration, the United States Coast Guard, and the Federal Air Marshals are now recorded in Function 100: Homeland Security, and are consistent with the President's request.

MANDATORY SPENDING

The resolution 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 budget authority for highway and transit spending. The adjustment may only be made if it is offset by changes in law, either included in the 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 year 2004.

The resolution assumes a stream of mandatory budget authority for a reauthorization of surface transportation programs. It also creates a reserve fund to provide additional budget authority for such a bill to the extent that it is offset in the same or other legislation.

DISCRETIONARY SPENDING

Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels result from applying a simple computation of modest growth, consistent with the President's budget. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

Function Summary

Function 450 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.

Function 450 budget authority rose from $11.3 billion in 1999 to $16.7 billion in 2004, an 8.1-percent average annual growth rate. During the same time period, outlays rose from $11.9 billion to $16.7 billion, a 7-percent average annual growth rate.

A factor in this growth was the presence of 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. FEMA funding will appear in the Homeland Security Function for fiscal year 2005.(For growth comparison purposes, totals include homeland security funding now found in Function 100.)

Summary of Committee-Reported Resolution

The resolution calls for $11.9 billion in budget authority and $14.2 billion in outlays in fiscal year 2005. The function totals are $58.7 billion in budget authority and $61.2 billion in outlays over 5 years. Mandatory spending is $402 million in budget authority and −$183 million in outlays in fiscal year 2005, and totals $780 million in budget authority and −$924 million in outlays over 5 years. The negative figures appears because of receipts to revolving loan funds. Discretionary spending is $11.5 billion in budget authority and $14.4 billion in outlays in fiscal year 2005; and over 5 years, it is $57.9 billion in budget authority and $62.2 billion in outlays.

MANDATORY SPENDING

The resolution assumes no new mandatory spending proposals.

DISCRETIONARY SPENDING

The resolution does not assume specific levels for individual discretionary programs within Function 450. Instead, $11.5 billion in budget authority and $14.4 billion in outlays in fiscal year 2005 is assumed for overall discretionary spending within the function. The Committee on Appropriations will determine how these funds will be apportioned among the various discretionary Community and Regional Development programs. Outyear levels are not binding and will be revisited in subsequent years.

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

Function Summary

Function 500 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, help fund programs for disadvantaged and other elementary and secondary school students, make grants and loans to post secondary students, and fund job-training and employment services for people of all ages.

Function 500 budget authority rose from $56.6 billion in 1999 to $89.5 billion in 2004, a 10-percent average annual growth rate. During the same period, outlays rose from $50.6 billion to $86.5 billion, a 11-percent average annual growth rate.

Summary of Committee-Reported Resolution

The resolution calls for $92.5 billion in budget authority and $90.5 billion in outlays in fiscal year 2005. The function totals are $470.5 billion in budget authority and $465.4 billion in outlays over 5 years. Mandatory spending is $11.8 billion in budget authority and $10 billion in outlays in fiscal year 2005, and totals $63 billion in budget authority and $55.5 billion in outlays over 5 years. Discretionary spending is $80.7 billion in budget authority and $80.5 billion in outlays in fiscal year 2005, and totals $407.4 billion in budget authority and $409.9 billion in outlays over 5 years.

MANDATORY SPENDING

The assumptions accommodate H.R. 438, the Teacher Recruitment and Retention Act of 2003, which passed the House on 9 July 2003 and is awaiting action in the Senate. The assumption is reflected in the allocation to the Committee on Education and the Workforce, which is free to determine its own policies within the allocation limits.

DISCRETIONARY SPENDING

The resolution gives Function 500 priority status within the overall framework of level funding for fiscal year 2005 in non-defense, non-homeland-security spending. The resolution calls for an increase from level funding of $2.8 billion in budget authority and $3.55 billion in outlays. This increase is intended to accommodate increases in the funding levels for priority programs, such as special education state grants, Title I grants to local education agencies, and Pell Grants for low-income college students. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 550: HEALTH

Function Summary

Function 550 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 about 72 percent of the spending in this function.

Function 550 budget authority rose from $142.2 billion in 1999 to $241.8 billion in 2004, an 11.2-percent average annual growth rate. During the same time period, outlays rose from $141.1 billion to $239.6 billion, an 11.2-percent average annual growth rate. The largest component of this was the budget of the Medicaid, whose Federal payments grew from $108.0 billion in 1999 to $173.9 billion in 2004, a 10.0-percent average annual increase.

Summary of Committee-Reported Resolution

The resolution calls for $245.1 billion in budget authority and $244.9 billion in outlays in fiscal year 2005. The function totals are $1,352.9 billion in budget authority and $1,350.3 billion in outlays over 5 years. Mandatory spending is $198.8 billion in budget authority and $198.9 billion in outlays in fiscal year 2005, and totals $1,118.9 billion in budget authority and $1,119.9 billion in outlays over 5 years. Discretionary spending is $46.3 billion in budget authority and $46.1 billion in outlays in fiscal year 2005; and over 5 years, it is $233.9 billion in budget authority and $230.4 billion in outlays.

MANDATORY SPENDING

The assumptions accommodate H.R. 4, the Personal Responsibility, work, and Family Promotion Act of 2003, which passed the House on 13 February 2003, and is awaiting action in the Senate. This accommodation is necessary to allow for a potential conference agreement. The assumption is reflected in the allocation to the Committee on Energy and Commerce.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how funds will be apportioned among the various discretionary programs. Specific programs will be increased or decreased when the Appropriations subcommittees write their respective bills. Outyear levels are not binding and will be revisited in subsequent years.

RESERVE FUNDS

The resolution provides a reserve fund to reflect the savings from legislation that has passed the House of Representatives and is pending in the Senate "that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation." This reserve fund affects Function 550 as well as Function 570.

The adjustment will be made by the chairman of the Committee on the Budget to the allocations and aggregates to reflect any resulting savings from any such measure. The effect of any adjustment would be to lock in the savings for deficit reduction. The Chairman of the Budget Committee will consult with the committees of jurisdiction before making any adjustments pursuant to this section.

The resolution also provides a deficit neutral reserve fund for the period of fiscal years 2005–09 for legislation that addresses access to health care services and health insurance for the uninsured. The reserve funded is needed to allow an initiative for the uninsured to come to the floor as long as it is deficit neutral in the first year and over the 5-year period.

The resolution also provides a reserve fund for the Family Opportunity Act. If legislation is reported by the Energy and Commerce Committee that provides Medicaid coverage for children with special needs (the Family Opportunity Act), the Chairman of the Budget Committee may adjust the levels in the allocations and aggregates to the extent such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009. The reserve fund would allow these initiatives to come to the floor with offsets, as long as that initiative is deficit neutral in the first year and over the 5-year period.

FUNCTION 570: MEDICARE

Function Summary

Function 570 reflects the Medicare Part A Hospital Insurance [HI] Program, Part B Supplementary Medical Insurance [SMI] Program, and premiums paid by qualified aged and disabled beneficiaries. In addition, with the enactment of H.R. 1 last year, the Medicare Advantage Program replaced Medicare+Choice under Part C and a new Voluntary Prescription Drug Benefit Program was established under Part D of Medicare. Prior to implementation of the new drug benefit in 2006, certain low-income seniors will be eligible for transitional low-income drug assistance of up to $600 in conjunction with their prescription drug discount card.

Function 570 budget authority rose from $190.6 billion in 1999 to $269.6 billion in 2004, a 7.2-percent average annual growth rate. During the same time period, outlays rose from $190.4 billion to $268.8 billion, a 7.1-percent average annual growth rate. This function consists entirely of the Medicare program.

Summary of Committee-Reported Resolution

The resolution calls for $288.2 billion in budget authority and $289.1 billion in outlays in fiscal year 2005. The function totals are $1,776.0 billion in budget authority and $1,776.4 billion in outlays over 5 years. Mandatory spending is $284.0 billion in budget authority and $285.1 billion in outlays in fiscal year 2005, and totals $1,755.1 billion in budget authority and $1,755.8 billion in outlays over 5 years. Discretionary spending is $4.1 billion in budget authority and $4.0 billion in outlays in fiscal year 2005; and over 5 years, it is $20.9 billion in budget authority and $20.7 billion in outlays.

MANDATORY SPENDING

The resolution assumes growth in mandatory spending to accommodate projected caseloads, inflation, and other normal factors. It also provides for the continuation of the modernization of Medicare with prescription drug coverage that was enacted by the President and Congress last year. The assumptions appear in the allocations of the respective committees of jurisdiction, which limit the amount that programs can be increased. The authorizing committees are free to determine their own policies, so long as they stay within the allocation limits.

DISCRETIONARY SPENDING

The resolution gives Function 570 priority status within the overall framework of level funding for fiscal year 2005 in non-defense, non-homeland-security spending. Consequently, the resolution called for an increase from level funding of $0.302 billion in budget authority and $0.199 billion in outlays. This amount accommodates the President's request for Function 570 discretionary—including the President's $100-million request for additional funds for prescription drug administrative costs—without including any of the President's offsets. Outyear levels are not binding and will be revisited in subsequent years.

RESERVE FUND

The resolution provides a reserve fund to reflect the savings from legislation that has passed the House of Representatives and is pending in the Senate "that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation." This reserve fund affects Function 550 as well as Function 570.

The adjustment will be made by the chairman of the Committee on the Budget to the allocations and aggregates to reflect any resulting savings from any such measure. The effect of any adjustment would be to lock in the savings for deficit reduction. The Chairman of the Budget Committee will consult with the committees of jurisdiction before making any adjustments pursuant to this section.

FUNCTION 600: INCOME SECURITY

Function Summary

Function 600 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).

Function 600 budget authority rose from $242.3 billion in 1999 to $329.2 billion in 2004, a 6.3-percent average annual growth rate. During the same period, outlays rose from $242.4 billion to $336.0 billion, a 6.7-percent average annual growth rate.

Summary of Committee-Reported Resolution

The resolution calls for $337.3 billion in budget authority and $341.7 billion in outlays in fiscal year 2005. The function totals are $1,727.5 billion in budget authority and $1,742.3 billion in outlays over 5 years. Mandatory spending is $291.5 billion in budget authority and $290.7 billion in outlays in fiscal year 2005, and totals $1,496.1 billion in budget authority and $1,492.0 billion in outlays over 5 years. Discretionary spending is $45.8 billion in budget authority and $51.0 billion in outlays in fiscal year 2005; and over 5 years, it is $231.4 billion in budget authority and $250.3 billion in outlays.

MANDATORY SPENDING

The assumptions accommodate H.R. 4, The Personal Responsibility, Work, and Family Promotion Act of 2003, which passed the House on 13 February 2003; H.R. 7, The Charitable Giving Act of 2003, which passed the House on 17 September 2003; and H.R. 1000, The Pension Security Act of 2003, which passed the House on 14 May 2003. All three measures are awaiting action in the Senate. These accommodations are needed to allow for a potential conference agreement.

The assumptions also accommodate H.R. 3108, The Pension Funding Equity Act of 2003, which passed the House on 8 October 2003, and is currently being conferenced with the Senate.

The assumptions are reflected in the allocation to the Committee on Education and the Workforce, which limits the amount that programs can be increased.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how these funds will be apportioned among the various discretionary income security programs. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 650: SOCIAL SECURITY

Function Summary

Function 650 consists of the Social Security program, or Old-Age, Survivors, and Disability Insurance [OASDI], the Government's largest entitlement program. Social Security consists of two parts, each tied to a trust fund. The Old-Age and Survivors Insurance [OASI] program provides monthly benefits to eligible retired workers and their families and survivors. The Disability Insurance [DI] program provides monthly benefits to eligible disabled workers and their families.

Under provisions of the Budget Enforcement Act, Social Security trust funds are off budget. The presentations below, therefore, refer to only the portion of Function 650 that is on budget.

On budget Function 650 budget authority rose from $10.8 billion in 1999 to $13.4 billion in 2004, a 4-percent average annual growth rate. During the same time period, outlays also rose from $10.8 billion to $13.4 billion, a 4-percent average annual growth rate.

Summary of Committee-Reported Resolution

The resolution calls for $15.1 billion in budget authority and $15.1 billion in outlays in fiscal year 2005. The function totals are $91.7 billion in budget authority and $91.7 billion in outlays over 5 years. All of this spending is mandatory; all discretionary spending in Function 650 is off budget.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how discretionary funds in this function are apportioned. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

Function Summary

Function 700 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 25 million veterans.

Function 700 budget authority rose from $44.2 billion in 1999 to $61.5 billion in 2004, a 6.8-percent average annual growth rate. During the same time period, outlays rose from $43.2 billion to $60.1 billion, a 6.8-percent average annual growth rate. The two largest components of this were veterans medical care, whose budget authority grew from $17.8 billion in 1999 to $28.0 billion in 2004, a 9.4-percent average annual increase and disability compensation, whose budget authority grew from $18.7 billion in 1999 to $30.7 billion in 2004, a 10.4-percent average annual increase

Summary of Committee-Reported Resolution

The resolution calls for $70.5 billion in budget authority and $68.6 billion in outlays in fiscal year 2005. The function totals are $346.0 billion in budget authority and $341.7 billion in outlays over 5 years. Mandatory spending is $39.8 billion in budget authority and $39.5 billion in outlays in fiscal year 2005, and totals $190.9 billion in budget authority and $190.4 billion in outlays over 5 years. Discretionary spending is $30.7 billion in budget authority and $29.1 billion in outlays in fiscal year 2005; and over 5 years, it is $155.1 billion in budget authority and $151.4 billion in outlays.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function.

DISCRETIONARY SPENDING

During markup, the Budget Committee adopted an amendment offered by Representative Brown-Waite adding $200 million to the Chairman's Mark in veterans benefits and services. As a result, the reported resolution includes an increase in total veterans budget authority of $1.2 billion in fiscal year 2005 over the President's request with none of the fees in the President's budget. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 750: ADMINISTRATION OF JUSTICE

Function Summary

Function 750 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.

Function 750 budget authority rose from $27.6 billion in 1999 to $41.2 billion in 2004, an 8.4-percent average annual growth rate. During the same time period, outlays rose from $26.1 billion to $39.6 billion, a 8.7-percent average annual growth rate. The largest component of this growth was for Federal law enforcement activities, with budget authority growing from $11.4 billion in 1999 to $19 billion in 2004, a 10.8-percent average annual increase. The budget for the Federal Bureau of Investigation alone grew from $2.7 billion in 1999 to $4 billion in 2004, an 8.7-percent average annual increase. (For growth comparison purposes, totals include homeland security funding.)

Summary of Committee-Reported Resolution

The resolution calls for $30.1 billion in budget authority and $30 billion in outlays in fiscal year 2005. The function totals are $140.4 billion in budget authority and $141 billion in outlays over 5 years. Mandatory spending is $5 billion in budget authority and $4.3 billion in outlays in fiscal year 2005, and totals $13.2 billion in budget authority and $13.1 billion in outlays over 5 years. Discretionary spending is $25.2 billion in budget authority and $25.7 billion in outlays in fiscal year 2005; and over 5 years, it is $127.2 billion in budget authority and $127.9 billion in outlays. Homeland security components formerly found in Function 750 are now recorded in Function 100: Homeland Security.

MANDATORY SPENDING

The assumptions accommodate H.R. 975, the Bankruptcy Abuse Prevention and Consumer Protection Act or 2003, which passed the House on 19 March 2003 and is awaiting action in the Senate. The accommodation is to allow for a potential conference agreement. The assumption is reflected in the allocation to the Committee on the Judiciary, which is free to determine its own policies within the allocation limits.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how these funds will be apportioned among the various discretionary programs. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 800: GENERAL GOVERNMENT

Function Summary

Function 800 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 from $17.0 billion in 1999 to $23.9 billion in 2004, a 7-percent average annual growth rate. During the same time period, outlays rose from $15.6 billion to $24.6 billion, a 9.5-percent average annual growth rate.(For growth comparison purposes, totals include homeland security funding.)

Summary of Committee-Reported Resolution

The resolution calls for $17.2 billion in budget authority and $17.9 billion in outlays in fiscal year 2005. The function totals are $86.8 billion in budget authority and $86.9 billion in outlays over 5 years. Mandatory spending is $1.8 billion in budget authority and $1.7 billion in outlays in fiscal year 2005, and totals $8.9 billion in budget authority and $8.9 billion in outlays over 5 years. Discretionary spending is $15.4 billion in budget authority and $16.2 billion in outlays in fiscal year 2005; and over 5 years, it is $77.9 billion in budget authority and $77.9 billion in outlays. Homeland security components formerly found in Function 800 including the Federal Protective Service are now recorded in Function 100: Homeland Security, and are consistent with the President's request.

MANDATORY SPENDING

Mandatory totals allow for inclusion of H.R. 2751, GAO Human Capital Reform Act of 2033, as passed by the House last year. The accommodation is to allow for a potential conference agreement. The resolution assumes growth in mandatory spending to accommodate projected inflation, and other normal factors. The assumptions appear in the allocations of the respective committees of jurisdiction, which are free to determine their own policies within the allocation limits.

DISCRETIONARY SPENDING

The resolution can accommodate funding for the Payment in Lieu of Taxes [PILT] program at the fully authorized level. Specific programmatic decisions will be made by the Committee on Appropriations. Outyear levels are not binding and will be revisited in subsequent years.

FUNCTION 900: NET INTEREST

Function Summary

Function 900 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.

Function 900 budget authority declined from $229.7 billion in 1999 to $154.9 billion in 2004, an average reduction of 7.6-percent a year. During the same time period, outlays declined from $229.8 billion to $154.9 billion, a 7.6-percent average annual reduction. The largest component of this decline was the interest received by off-budget trust funds.

Summary of Committee-Reported Resolution

The resolution calls for $180.5 billion in budget authority and outlays in fiscal year 2005. The function totals are $1,234.6 billion in budget authority and outlays over 5 years. On-budget spending is $270.7 billion in budget authority and outlays in fiscal year 2005, and totals $1,780.1 billion in budget authority and outlays over 5 years. Off-budget spending is $90.2 billion in budget authority and outlays in fiscal year 2005; and over 5 years, it is $545.5 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 in past years.

Summary of Committee-Reported Resolution

The resolution calls for $50.0 billion in discretionary budget authority and $24.9 billion in outlays in fiscal year 2005. This provides for an expected supplemental spending bill to address operations in Afghanistan and Iraq. The function totals are $50.0 billion in budget authority and $49.8 billion in outlays over 5 years. Discretionary spending is $50.0 billion in budget authority and $24.9 billion in outlays in fiscal year 2005; and over 5 years, it is $50.0 billion in budget authority and $49.8 billion in outlays.

MANDATORY SPENDING

There is no mandatory spending in this function.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

Function Summary

Function 950 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.

On-budget receipts (or decline in spending) in budget authority and outlays have increased over the past 5 years from $33.1 billion in 1999 to $47.2 billion in 2004 for Function 950, an average annual increase of 7.4 percent. The off-budget receipts have increased from $7.39 billion in 1999 to $11.26 billion in 2004, an average annual increase of 8.8 percent.

Summary of Committee-Reported Resolution

The resolution calls for -$63.7 billion in budget authority and -$63.8 billion in outlays in fiscal year 2005. (The minus signs indicate receipts into the Treasury.) The function totals are -$360.4 billion in budget authority and -$361.4 billion in outlays over 5 years.

MANDATORY SPENDING

The assumptions accommodate H.R. 1320, which passed the House on 11 June 2003, and is awaiting action in the Senate. Although H.R. 1320 has budgetary effect in Function 950 (Undistributed Offsetting Receipts) because it is a receipt against spending, it is within the scope of the Federal Communications Commission. The accommodation is to allow for a potential conference agreement.

Summary Tables: Spending and Revenue

Revenue Comparisons

TABLE 3.—COMPARISON OF TOTAL REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal year	
1992 Actual	1,091.3
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
Fiscal Year 2004:	
President's Request (February 2004)	1,816.4
Committee Level	1,817.5
Fiscal Year 2005:	
President's Request (February 2004)	2,026.7
Committee Level	2,029.6
Fiscal Year 2006:	
President's Request (February 2004)	2,211.1
Committee Level	2,220.9
Fiscal Year 2007:	
President's Request (February 2004)	2,351.0
Committee Level	2,351.1
Fiscal Year 2008:	
President's Request (February 2004)	2,469.7
Committee Level	2,477.4
Fiscal Year 2009:	
President's Request (February 2004)	2,595.0
Committee Level	2,611.9

TABLE 4.—COMPARISON OF ON-BUDGET REVENUES FOR PRESIDENT'S REQUEST AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal year:	
1992 Actual	788.9
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
Fiscal Year 2004:	
President's Request (February 2004)	1,271.8
Committee Level	1,273.0
Fiscal Year 2005:	
President's Request (February 2004)	1,454.3
Committee Level	1,457.2
Fiscal Year 2006:	
President's Request (February 2004)	1,610.1
Committee Level	1,619.8
Fiscal Year 2007:	
President's Request (February 2004)	1,721.5
Committee Level	1,721.6
Fiscal Year 2008:	
President's Request (February 2004)	1,810.8
Committee Level	1,818.6
Fiscal Year 2009:	
President's Request (February 2004)	1,905.3
Committee Level	1,922.1

TABLE 5.—COMPARISON OF TOTAL BUDGET REVENUES FOR CBO BASELINE AND COMMITTEE RECOMMENDATION

[In billions of dollars]

	Amount
Fiscal year:	
1992 Actual	1,091.3
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
Fiscal Year 2004:	
CBO Baseline	1,817.4
Committee Level	1,817.5
Fiscal Year 2005:	
CBO Baseline	2,049.6
Committee Level	2,029.6
Fiscal Year 2006:	
CBO Baseline	2,255.2
Committee Level	2,220.9
Fiscal Year 2007:	
CBO Baseline	2,384.4
Committee Level	2,351.1
Fiscal Year 2008:	
CBO Baseline	2,504.7
Committee Level	2,477.4
Fiscal Year 2009:	
CBO Baseline	2,642.8
Committee Level	2,611.9

TABLE 6.—COMPARISON OF TOTAL BUDGET REVENUES, AS PERCENT OF GDP, FOR CBO BASELINE AND COMMITTEE RECOMMENDATION

[Percent of gross domestic product]

	Amount
Fiscal year:	
1992 Actual	17.5
1993 Actual	17.5
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	17.9
2003 Actual	16.5
Fiscal Year 2004:	
CBO Baseline	15.8
Committee Level	15.8
Fiscal Year 2005:	
CBO Baseline	17.0
Committee Level	16.8
Fiscal Year 2006:	
CBO Baseline	17.8
Committee Level	17.5
Fiscal Year 2007:	
CBO Baseline	18.0
Committee Level	17.8
Fiscal Year 2008:	
CBO Baseline	18.1
Committee Level	17.9
Fiscal Year 2009:	
CBO Baseline	18.2
Committee Level	18.0

TABLE 7.—CBO BASELINE REVENUES BY SOURCE, IN BILLIONS OF DOLLARS

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

	1950	1960	1970	1980	1990	2000	Projected	
							2004	2005
Individual Income Taxes	15.8	40.7	90.4	244.1	466.9	1,004.5	761.6	884.7
Corporate Income Tax	10.4	21.5	32.8	64.6	93.5	207.3	161.4	223.3
Social Insurance Tax and Contributions	4.3	14.7	44.4	157.8	380.0	652.9	746.7	789.5
Excise Taxes	7.6	11.7	15.7	24.3	35.3	68.9	70.0	73.3
Estate and Gift Taxes	0.7	1.6	3.6	6.4	11.5	29.0	24.5	23.0
Customs Duties	0.4	1.1	2.4	7.2	16.7	19.9	21.0	21.3
Miscellaneous Receipts	0.2	1.2	3.4	12.7	28.0	42.8	32.1	34.6
Total	39.4	92.5	192.8	517.1	1,032.0	2,025.2	1,817.4	2,049.6
On-budget Revenues	37.3	81.9	159.3	403.9	750.3	1,544.6	1,272.8	1,477.1
Off-budget Revenues	2.1	10.6	33.5	113.2	281.7	480.6	544.6	572.4

TABLE 8.—CBO BASELINE REVENUES BY SOURCE, AS PERCENT OF GDP

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

	1950	1960	1970	1980	1990	2000	Projected 2004	Projected 2005
Individual Income Taxes	5.8	7.8	8.9	9.0	8.1	10.3	6.6	7.3
Corporate Income Tax	3.8	4.1	3.2	2.4	1.6	2.1	1.4	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	17.8	19.0	19.0	18.0	20.9	15.8	17.0
On-budget Revenues	13.7	15.8	15.7	14.8	13.1	15.9	11.1	12.2
Off-budget Revenues	0.8	2.1	3.3	4.2	4.9	5.0	4.7	4.7

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
National Defense											
Exclusion of benefits and allowances to Armed Forces personnel	....	....	....	....	....	2.7	2.8	2.8	2.9	2.9	14.2
Exclusion of military disability benefits	....	....	....	....	....	0.1	0.1	0.1	0.1	0.1	0.6
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	....	....	....	....	....	3.4	3.6	3.8	4.0	4.2	19.0
Exclusion of certain allowances for Federal employees abroad	....	....	....	....	....	0.4	0.5	0.5	0.6	0.6	2.6
Exclusion of extraterritorial income	5.2	5.5	5.9	6.1	6.3	....	....	....	....	....	29.0
Deferral of active income of controlled foreign corporations	4.6	4.8	5.0	5.2	5.4	....	....	....	....	....	25.0
Inventory property sales source rule exception	5.4	5.7	6.0	6.3	6.6	....	....	....	....	....	30.0
Deferral of certain active financing income	1.9	2.1	2.3	1.7	....	....	....	....	....	....	8.0
General Science, Space, and Technology											
Tax credit for qualified research expenditures	3.9	2.4	1.2	0.7	0.3	(1)	(1)	(1)	(1)	(1)	8.6
Expensing of research and experimental expenditures	3.5	4.9	6.0	6.5	6.9	0.1	0.1	0.1	0.1	0.1	28.5
Energy											
Expensing of exploration and development costs:											
Oil and gas	0.5	0.3	0.4	0.5	0.5	(1)	(1)	(1)	(1)	(1)	2.0
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Excess of percentage over cost depletion:											
Oil and gas	0.4	0.4	0.5	0.5	0.5	(1)	(1)	(1)	(1)	(1)	2.4
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
Tax credit for enhanced oil recovery costs	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.5
Tax credit for production of non-conventional fuels	0.5	0.5	0.5	0.6	0.2	0.1	0.1	0.1	0.1	0.1	2.8
Tax credit for alcohol fuel blenders [2]	(1)	(1)	(1)	(1)	(1)	....	....	....	....	....	(1)
Exclusion on interest on State and local government industrial development bonds for energy production facilities	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.9
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 wind, biomass, and poultry waste	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
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	0.8
Expensing of multiperiod timber-growing costs	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.0
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	0.5	0.5	0.5	3.4
Special rules for mining reclamation reserves	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Special tax rate for nuclear decommissioning reserve fund	0.3	0.3	0.4	0.4	0.4	....	....	....	....	....	1.8
Exclusion of contributions in aid of construction for water and sewer utilities	(1)	(1)	(1)	(1)	(1)	....	....	....	....	....	0.1

Agriculture											
Expensing of soil and water conservation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Expensing of fertilizer and soil conditioner costs	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.3
Expensing of the costs of raising dairy and breeding cattle	(1)	(1)	(1)	(1)	(1)	0.1	(1)	(1)	(1)	(1)	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	(1)	(1)	(1)	(1)	(1)	0.3	0.3	0.3	0.3	0.3	1.9
Income averaging for farmers	....	....	....	....	....	(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	1.2	1.3	1.3	1.4	1.5	....	....	....	....	....	6.7
Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts	1.4	1.4	1.5	1.5	1.5	24.7	25.4	26.0	26.7	27.3	137.5
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	1.7	1.8	1.9	2.0	2.0	....	....	....	....	....	9.4
Deduction of unpaid property loss reserves for property and casualty insurance companies	1.5	1.5	1.6	1.6	1.6	....	....	....	....	....	7.8
Special deduction for Blue Cross and Blue Shield companies	0.5	0.5	0.6	0.6	0.6	....	....	....	....	....	2.8
Housing:											
Deduction for mortgage interest on owner-occupied residences	....	....	....	....	....	61.4	69.9	75.6	80.2	85.5	372.7
Deduction for property taxes on owner-occupied residences	....	....	....	....	....	18.7	16.7	15.0	14.2	13.3	77.8

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
Exclusion of capital gains on sales of principal residences	....	....	....	....	....	17.9	18.0	18.3	18.5	18.7	91.4
Exclusion of interest on State and local government bonds for owner-occupied housing	0.3	0.3	0.3	0.3	0.3	0.8	0.9	0.9	0.9	0.9	6.0
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	1.3
Depreciation of rental housing in excess of alternative depreciation system	0.3	0.4	0.4	0.5	0.5	3.0	3.3	3.7	4.3	4.9	21.3
Tax credit for low-income housing	3.0	3.2	3.3	3.5	3.7	1.3	1.4	1.4	1.5	1.6	23.8
Tax credit for rehabilitation of historic structures	0.4	0.4	0.4	0.4	0.4	0.1	0.1	0.1	0.1	0.1	2.5
Other business and commerce:											
Reduced rates of tax on dividends and long-term capital gains	....	....	....	....	....	66.1	76.8	81.7	86.5	95.2	406.3
Exclusion of capital gains at death	....	....	....	....	....	35.9	37.7	40.0	42.8	46.2	202.6
Carryover basis of capital gains on gifts	....	....	....	....	....	4.3	4.6	4.9	5.2	5.5	24.5
Deferral of gain on non-dealer installment sales	0.6	0.6	0.6	0.7	0.7	0.4	0.5	0.5	0.5	0.5	5.6
Deferral of gain on like-kind exchanges	1.2	1.2	1.3	1.3	1.4	0.4	0.5	0.5	0.5	0.5	9.2
Deferral of gain on involuntary conversions resulting from Presidentially-declared disasters	....	....	....	....	....	(1)	(1)	(1)	(1)	(1)	0.1
Depreciation of buildings other than rental housing in excess of alternative depreciation system	1.8	1.4	0.9	1.2	1.6	1.9	1.3	0.1	0.2	0.3	10.7
Depreciation of equipment in excess of the alternative depreciation system	52.9	23.0	2.4	6.1	12.4	16.1	5.8	−1.6	−0.6	1.4	117.9
Expensing of depreciable business property	....	....	....	....	....	....	....	....	....	....	0.0

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	3.3	4.1	5.1	5.6	5.8	....	....	....	....	....	23.9
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	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.2
Cash accounting, other than agriculture	(1)	(1)	(1)	(1)	(1)	0.7	0.7	0.8	0.8	0.8	3.8
Exclusion of interest on State and local government small-issue industrial development bonds	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3	2.2
Exception from net operating loss limitations for corporations in bankruptcy proceedings	0.7	0.6	0.6	0.6	0.6	....	....	....	....	....	3.1
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	2.7
Transportation											
Deduction for clean fuel vehicles and refueling property	(1)	(1)	(1)	(3)	(3)	0.2	0.2	0.1	0.1	....	0.5
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	....	....	....	....	....	3.8	3.8	3.8	3.9	3.9	19.2
Community and Regional Development											
New York City Liberty Zone tax incentives	0.1	0.3	0.4	0.1	−0.1	0.2	0.3	0.3	0.2	0.2	2.4
Empowerment zone tax incentives	0.3	0.3	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.5	3.7
Renewal community tax incentives	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.5	2.9
New markets tax credit	0.1	0.2	0.2	0.3	0.4	0.2	0.2	0.3	0.4	0.5	2.8
District of Columbia tax incentives	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3
Wage credit for Indian reservation employment	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Accelerated depreciation for Indian reservation investments	0.1	(1)	−0.1	−0.1	−0.1	0.1	(1)	−0.1	−0.1	−0.1	−0.3

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
Expensing of environmental remediation costs ("Brownfields")	(1)	(3)	(3)	(3)	(3)	(1)	(3)	(3)	(3)	(3)	−0.1
Tax credit for rehabilitation of structures, other than historic structures	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.4
Exclusion of interest on State and local government bonds for private airports, docks, and mass-commuting facilities	0.2	0.2	0.2	0.2	0.3	0.6	0.6	0.6	0.6	0.6	4.4
Education, Training, Employment, and Social Services											
Education and training:											
Tax credits for tuition for post-secondary education	....	....	....	....	....	4.3	4.3	4.4	4.4	4.4	21.8
Deduction for interest on student loans	....	....	....	....	....	0.7	0.8	0.8	0.9	0.9	3.9
Deduction for higher education expenses	....	....	....	....	....	2.7	2.9	0.7	....	....	6.3
Exclusion of earnings of Coverdell education savings accounts	....	....	....	....	....	0.3	0.3	0.4	0.4	0.5	2.0
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	....	....	....	....	....	1.5	1.5	1.6	1.6	1.7	7.9
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	....	....	....	....	....	1.5	1.1	0.7	0.6	0.5	4.4
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	0.3	2.0

Exclusion of interest on State and local government bonds for private nonprofit and qualified public educational facilities	0.3	0.3	0.3	0.3	0.3	0.8	0.8	0.8	0.8	0.8	5.6
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	1.1	1.1	1.1	1.2	1.2	5.2	5.3	5.5	5.6	5.8	33.1
Above the line deduction for teacher classroom expenses	....	....	....	....	....	0.1	....	....	....	....	0.1
Employment:											
Exclusion of employee meals and lodging (other than military)	....	....	....	....	....	0.9	0.9	0.9	0.9	0.9	4.7
Exclusion of benefits provided under cafeteria plans [4]	....	....	....	....	....	16.9	18.4	19.5	20.7	22.2	97.6
Exclusion of housing allowances for ministers	....	....	....	....	....	0.4	0.5	0.5	0.5	0.5	2.4
Exclusion of miscellaneous fringe benefits	....	....	....	....	....	5.8	5.9	6.0	6.2	6.4	30.3
Exclusion of employee awards	....	....	....	....	....	0.1	0.1	0.2	0.2	0.2	0.8
Exclusion of income earned by voluntary employees' beneficiary associations	....	....	....	....	....	3.2	3.4	3.5	3.7	3.9	17.7
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	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.4
Welfare-to-work tax credit	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Deferral of taxation on spread on acquisition of stock under incentive stock option plans and employee stock purchase plans [5]	....	....	....	....	....	0.4	0.4	0.4	0.4	0.4	2.0
Social services:											
Tax credit for children under age 17 [6]	....	....	....	....	....	44.1	35.7	31.7	31.1	30.4	173.0
Tax credit for child and dependent care expenses	....	....	....	....	....	3.1	2.6	2.2	2.1	1.9	11.9
Exclusion of employer-provided child care [7]	....	....	....	....	....	0.8	0.9	0.9	1.0	1.0	4.7
Tax credit for employer-provided dependent care	0.1	0.1	0.1	0.2	0.2	(1)	(1)	(1)	(1)	(1)	0.8
Exclusion of certain foster care payments	....	....	....	....	....	0.6	0.7	0.7	0.8	0.8	3.6

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
Adoption credit and employee adoption benefits exclusion	....	....	....	....	....	0.1	0.2	0.2	0.2	0.2	1.0
Deduction for charitable contributions, other than for education and health	1.8	1.9	1.9	2.0	2.1	27.9	28.8	29.6	30.5	31.4	158.0
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 [8]	....	....	....	....	....	96.0	109.4	121.5	132.2	143.6	602.7
Exclusion of medical care and CHAMPUS/TRICARE medical insurance for military dependents, retirees, and retiree dependents	....	....	....	....	....	1.7	1.8	1.8	1.8	1.9	9.0
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed	....	....	....	....	....	3.3	3.6	4.0	4.3	4.6	19.8
Deduction for medical expenses and long-term care expenses	....	....	....	....	....	5.9	6.9	7.7	8.8	9.9	39.2
Exclusion of workers' compensation benefits (medical benefits)	....	....	....	....	....	3.7	3.9	4.0	4.2	4.4	20.3
Health savings accounts	....	....	....	....	....	0.3	0.4	0.5	0.5	0.6	2.4
Exclusion of interest on State and local government bonds for private nonprofit hospital facilities	0.5	0.5	0.5	0.5	0.5	1.2	1.2	1.2	1.3	1.3	8.6
Deduction for charitable contributions to health organizations	0.9	1.0	1.0	1.0	1.1	3.5	3.7	3.8	3.9	4.0	23.9
Tax credit for orphan drug research	0.2	0.2	0.2	0.2	0.3	....	....	....	....	....	1.1
Tax credit for purchase of health insurance by certain displaced persons	(1)	0.1	0.2	0.2	0.2	(1)	0.1	0.1	0.1	0.1	1.1

Medicare											
Exclusion of untaxed Medicare benefits:											
Hospital insurance (Part A)	....	....	....	....	....	16.8	19.3	21.4	23.1	25.1	105.7
Supplementary medical insurance (Part B)	....	....	....	....	....	11.0	12.6	14.1	15.6	17.3	70.6
Prescription drug insurance (Part D)	....	....	....	....	....	....	....	1.9	3.6	4.3	9.8
Exclusion of certain subsidies to employers who maintain prescription drug plans for Medicare	....	....	1.1	1.6	1.9	....	....	....	....	....	4.7
Income Security											
Exclusion of workers' compensation benefits (disability and survivors payments)	....	....	....	....	....	4.8	4.9	5.0	5.3	5.6	25.6
Exclusion of damages on account of personal physical injuries or physical sickness	....	....	....	....	....	1.4	1.4	1.4	1.5	1.5	7.2
Exclusion of special benefits for disabled coal miners	....	....	....	....	....	0.1	0.1	0.1	0.1	([1])	0.3
Exclusion of cash public assistance benefits	....	....	....	....	....	3.2	3.3	3.5	3.6	3.6	17.2
Net exclusion of pension contributions and earnings:											
Employer plans	....	....	....	....	....	94.6	99.3	104.2	109.4	114.8	522.1
Individual retirement plans	....	....	....	....	....	13.0	15.5	17.2	18.7	20.5	84.9
Keogh plans	....	....	....	....	....	6.2	6.5	6.8	7.2	7.6	34.3
Tax credit for certain individuals for elective deferrals and IRA contributions	....	....	....	....	....	2.5	2.3	2.1	0.6	....	7.6
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	....	....	....	....	....	2.4	2.5	2.6	2.7	2.8	13.0
Premiums on accident and disability insurance	....	....	....	....	....	2.4	2.5	2.7	2.8	2.9	13.3
Additional standard deduction for the blind and the elderly	....	....	....	....	....	2.0	2.1	2.3	2.2	2.2	10.8
Tax credit for the elderly and disabled	....	....	....	....	....	([1])	([1])	([1])	([1])	([1])	0.1
Deduction for casualty and theft losses	....	....	....	....	....	0.2	0.2	0.2	0.2	0.2	1.0
Earned income credit (EIC)[6]	....	....	....	....	....	34.1	35.4	36.1	36.6	37.4	179.7

Table 9.—Tax Expenditure Estimates By Budget Function, Fiscal Years 2004–2008—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2004–08
	2004	2005	2006	2007	2008	2004	2005	2006	2007	2008	
Social Security and Railroad Retirement											
Exclusion of untaxed social security and railroad retirement benefits	....	....	....	....	....	20.0	20.8	21.5	22.3	22.9	107.5
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation	....	....	....	....	....	3.1	3.3	3.4	3.5	3.4	16.6
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	0.2	1.1
Exclusion of interest on State and local government bonds for veteran's 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	7.1	7.2	7.3	7.5	7.6	18.2	18.4	18.8	19.2	19.6	130.9
Deduction of nonbusiness State and local government income and personal property taxes	....	....	....	....	....	44.3	40.9	37.9	36.7	35.4	195.2
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity	1.4	1.2	0.3	....	....	....	....	....	....	....	2.9
Interest											
Deferral of interest on savings bonds	....	....	....	....	....	1.7	1.7	1.7	1.7	1.7	9.0

1 Positive tax expenditure of less than $50 million.

2 In addition, the exemption from excise tax for alcohol fuels results in a reduction in excise tax receipts, net of income tax effect, of $1.1 billion in each of the fiscal years 2004 through 2006, and $1.2 billion per year in fiscal years 2007 and 2008.

3 Negative tax expenditure of less than $50 million.

4 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.

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

6 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: $44.3 billion in 2004, $44.8 billion in 2005, $42.6 billion in 2006, $42.7 billion in 2007, and $42.9 billion in 2008.

[7] Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.
[8] 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 2005 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
Summary							
Total Spending:							
BA	2,338.156	2,410.838	2,481.700	2,617.210	2,749.696	2,886.638	13,146.082
OT	2,295.011	2,406.471	2,492.176	2,590.871	2,712.342	2,845.861	13,047.721
On-Budget:							
BA	1,952.700	2,010.338	2,071.186	2,193.395	2,311.770	2,431.782	11,018.471
OT	1,911.235	2,007.926	2,083.910	2,169.446	2,277.071	2,393.946	10,932.299
Off-Budget:							
BA	385.456	400.500	410.514	423.815	437.926	454.856	2,127.611
OT	383.776	398.545	408.266	421.425	435.271	451.915	2,115.422
Revenues:							
Total	1,817.538	2,029.644	2,220.897	2,351.051	2,477.420	2,611.883	11,690.895
On-budget	1,272.966	1,457.215	1,619.835	1,721.568	1,818.559	1,922.133	8,539.310
Off-budget	544.572	572.429	601.062	629.483	658.861	689.750	3,151.585
Deficit (−):							
Total	−477.473	−376.827	−271.279	−239.820	−234.922	−233.978	−1,356.826
On-budget	−638.269	−550.711	−464.075	−447.878	−458.512	−471.813	−2,392.989
Off-budget	160.796	173.884	192.796	208.058	223.590	237.835	1,036.163
Debt Held by the Public (end of year)	4,385	4,775	5,060	5,312	5,560	5,807	na
Debt Subject to Limit (end of year)	7,436	8,087	8,675	9,244	9,823	10,419	na
By Function							
National Defense (050):							
BA	461.544	419.634	442.400	464.000	486.149	508.369	2,320.552
OT	451.125	447.114	439.098	445.927	465.542	487.186	2,284.867
Homeland Security (100):							
BA	29.559	34.102	33.548	35.160	36.520	40.420	179.750
OT	24.834	29.997	33.298	35.635	36.979	38.401	174.310
International Affairs (150):							
BA	43.604	26.529	27.776	27.927	28.077	28.228	138.537
OT	29.281	32.848	30.017	26.714	25.323	25.099	140.001
General Science, Space, and Technology (250):							
BA	22.822	22.813	22.927	23.042	23.157	23.274	115.213
OT	21.897	22.453	22.683	22.743	22.763	22.863	113.505
Energy (270):							
BA	2.323	2.863	2.604	2.583	2.629	2.285	12.964
OT	0.059	1.201	1.397	1.040	0.662	0.891	5.191
Natural Resources and Environment (300):							
BA	32.021	31.212	31.568	31.897	32.101	32.777	159.555
OT	30.210	30.868	31.911	32.153	32.128	32.804	159.864
Agriculture (350):							
BA	19.908	21.087	23.374	24.278	24.042	24.903	117.684
OT	18.434	20.501	22.310	23.199	22.957	23.956	112.923
Commerce and Housing Credit (370):							
BA	14.577	8.692	7.442	6.827	6.405	6.080	35.446
OT	10.248	3.682	4.042	1.869	−0.110	−0.760	8.723
On-budget:							
BA	17.077	10.792	10.242	9.727	9.705	9.580	50.046
OT	12.748	5.782	6.842	4.769	3.190	2.740	23.323
Off-budget:							
BA	−2.500	−2.100	−2.800	−2.900	−3.300	−3.500	−14.600
OT	−2.500	−2.100	−2.800	−2.900	−3.300	−3.500	−14.600
Transportation (400):							
BA	62.937	65.021	66.075	68.263	69.578	70.445	339.382
OT	59.280	61.988	64.204	66.131	67.545	68.452	328.320

TABLE 10.—FISCAL YEAR 2005 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
Community and Regional Development (450):							
BA	13.758	11.867	11.655	11.715	11.692	11.752	58.681
OT	15.443	14.233	12.484	11.616	11.392	11.510	61.235
Education, Training, Employment and Social Services (500):							
BA	89.463	92.523	93.596	94.243	94.738	95.366	470.466
OT	86.405	90.492	92.878	93.365	93.975	94.685	465.395
Health (550):							
BA	236.822	245.095	252.639	266.117	284.970	304.034	1,352.855
OT	235.551	244.936	252.495	265.196	284.222	303.460	1,350.309
Medicare (570):							
BA	269.567	288.166	322.974	362.759	387.838	414.278	1,776.015
OT	268.759	289.126	322.549	363.016	387.858	413.853	1,776.402
Income Security (600):							
BA	329.744	337.318	335.387	340.140	352.809	361.830	1,727.484
OT	336.074	341.716	339.098	342.945	355.046	363.465	1,742.270
Social Security (650):							
BA	498.229	519.219	540.180	565.506	593.680	625.464	2,844.049
OT	496.549	517.264	537.932	563.116	591.025	622.523	2,831.860
On-budget:							
BA	13.396	15.094	16.589	18.049	19.988	21.989	91.709
OT	13.396	15.094	16.589	18.049	19.988	21.989	91.709
Off-budget:							
BA	484.833	504.125	523.591	547.457	573.692	603.475	2,752.340
OT	483.153	502.170	521.343	545.067	571.037	600.534	2,740.151
Veterans Benefits and Services (700):							
BA	61.179	70.536	68.501	66.621	69.842	70.506	346.006
OT	59.858	68.563	67.597	66.007	69.459	70.106	341.732
Administration of Justice (750):							
BA	29.932	30.139	27.430	27.480	27.616	27.755	140.420
OT	30.103	30.025	28.036	27.744	27.540	27.621	140.966
General Government (800):							
BA	23.806	17.198	17.419	17.573	17.230	17.383	86.803
OT	24.540	17.916	17.392	17.401	17.075	17.044	86.828
Net Interest (900):							
BA	154.858	180.541	220.722	256.528	279.848	296.984	1,234.623
OT	154.858	180.541	220.722	256.528	279.848	296.984	1,234.623
On-budget:							
BA	240.471	270.698	318.909	364.463	398.574	427.464	1,780.108
OT	240.471	270.698	318.909	364.463	398.574	427.464	1,780.108
Off-budget:							
BA	−85.613	−90.157	−98.187	−107.935	−118.726	−130.480	−545.485
OT	−85.613	−90.157	−98.187	−107.935	−118.726	−130.480	−545.485
Allowances (920):							
BA	——	50.000	——	——	——	——	50.000
OT	——	24.850	18.600	5.100	1.000	0.250	49.800
Undistributed Offsetting Receipts (950):							
BA	−58.497	−63.717	−66.517	−75.449	−79.225	−75.495	−360.403
OT	−58.497	−63.843	−66.567	−76.574	−79.887	−74.532	−361.403
On-budget:							
BA	−47.233	−52.349	−54.427	−62.642	−65.485	−60.856	−295.759
OT	−47.233	−52.475	−54.477	−63.767	−66.147	−59.893	−296.759
Off-budget:							
BA	−11.264	−11.368	−12.090	−12.807	−13.740	−14.639	−64.644
OT	−11.264	−11.368	−12.090	−12.807	−13.740	−14.639	−64.644

TABLE 11.—FISCAL YEAR 2005 BUDGET RESOLUTION DISCRETIONARY SPENDING

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
Summary							
Total Spending:							
BA	875.487	871.264	843.020	867.691	892.746	920.612	4,395.333
OT	895.047	927.262	912.721	906.430	923.705	947.555	4,617.673
Defense:							
BA	457.025	418.261	439.204	460.450	482.329	504.466	2,304.710
OT	450.010	444.736	435.794	442.319	461.835	483.256	2,267.940
Homeland Security:							
BA	29.234	33.368	32.333	33.901	35.211	39.063	173.876
OT	24.581	29.463	32.183	34.425	35.487	36.953	168.511
Other Functions of Government:							
BA	389.228	419.635	371.483	373.340	375.206	377.083	1,916.747
OT	420.456	453.063	444.744	429.686	426.383	427.346	2,181.222
By Function							
National Defense (050):							
BA	457.025	418.261	439.204	460.450	482.329	504.466	2,304.710
OT	450.010	444.736	435.794	442.319	461.835	483.256	2,267.940
Homeland Security (100):							
BA	29.234	33.368	32.333	33.901	35.211	39.063	173.876
OT	24.581	29.463	32.183	34.425	35.487	36.953	168.511
International Affairs (150):							
BA	48.600	26.886	27.020	27.156	27.291	27.428	135.781
OT	34.086	35.844	32.460	29.284	27.808	27.569	152.965
General Science, Space, and Technology (250):							
BA	22.783	22.783	22.897	23.011	23.126	23.242	115.059
OT	21.808	22.342	22.575	22.703	22.732	22.832	113.184
Energy (270):							
BA	3.567	3.489	3.506	3.524	3.542	3.559	17.620
OT	3.331	3.541	3.639	3.571	3.570	3.550	17.871
Natural Resources and Environment (300):							
BA	29.957	28.489	28.631	28.775	28.918	29.063	143.876
OT	29.372	29.077	28.904	28.863	28.849	28.895	144.588
Agriculture (350):							
BA	5.415	4.804	4.828	4.852	4.876	4.901	24.261
OT	5.254	5.114	4.898	4.861	4.830	4.848	24.551
Commerce and Housing Credit (370):							
Total							
BA	−0.869	1.117	1.123	1.128	1.134	1.140	5.642
OT	−0.768	1.031	1.142	1.313	1.096	1.052	5.634
On-budget:							
BA	−0.869	1.117	1.123	1.128	1.134	1.140	5.642
OT	−0.768	1.031	1.142	1.313	1.096	1.052	5.634
Off-budget:							
BA	—	—	—	—	—	—	—
OT	—	—	—	—	—	—	—
Transportation (400):							
BA	17.944	17.775	17.864	17.953	18.043	18.133	89.768
OT	57.836	60.013	62.280	64.357	65.915	66.965	319.530
Community and Regional Development (450):							
BA	12.648	11.465	11.522	11.580	11.638	11.696	57.901
OT	14.953	14.416	12.688	11.806	11.551	11.698	62.159
Education, Training, Employment and Social Services (500):							
BA	77.872	80.679	81.082	81.488	81.895	82.305	407.449
OT	76.905	80.451	81.820	82.107	82.535	82.965	409.878

TABLE 11.—FISCAL YEAR 2005 BUDGET RESOLUTION DISCRETIONARY SPENDING—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
Health (550):							
BA	46.780	46.317	46.549	46.781	47.015	47.250	233.912
OT	45.101	46.052	45.772	45.938	46.198	46.419	230.379
Medicare (570):							
BA	3.836	4.138	4.159	4.179	4.200	4.221	20.897
OT	3.814	4.013	4.109	4.147	4.179	4.203	20.651
Income Security (600):							
BA	44.591	45.826	46.055	46.285	46.517	46.749	231.432
OT	53.005	51.006	50.291	49.729	49.775	49.491	250.292
Social Security (650):							
Total							
BA	4.134	4.541	4.564	4.587	4.609	4.633	22.934
OT	4.154	4.366	4.486	4.547	4.584	4.612	22.595
On-budget:							
BA	——	——	——	——	——	——	——
OT	——	——	——	——	——	——	——
Off-budget:							
BA	4.134	4.541	4.564	4.587	4.609	4.633	22.934
OT	4.154	4.366	4.486	4.547	4.584	4.612	22.595
Veterans Benefits and Services (700):							
BA	28.981	30.711	30.865	31.019	31.174	31.330	155.099
OT	27.794	29.070	30.016	30.459	30.851	30.971	151.367
Administration of Justice (750):							
BA	25.513	25.185	25.311	25.437	25.565	25.692	127.190
OT	25.729	25.699	25.533	25.474	25.549	25.612	127.867
General Government (800):							
BA	17.476	15.430	15.507	15.585	15.663	15.741	77.926
OT	18.082	16.178	15.531	15.427	15.361	15.414	77.911
Allowances (920):							
BA	——	50.000	——	——	——	——	50.000
OT	——	24.850	18.600	5.100	1.000	0.250	49.800

TABLE 12.—FISCAL YEAR 2005 BUDGET RESOLUTION MANDATORY SPENDING

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
			Summary				
Total Spending:							
BA	1,462.669	1,539.574	1,638.680	1,749.519	1,856.950	1,966.026	8.750.749
OT	1,399.964	1,479.209	1,579.455	1,684.441	1,788.637	1,898.306	8.430.048
On-budget:							
BA	1,081.347	1,143.615	1,232.730	1,330.291	1,423.633	1,515.803	6,646.072
OT	1,020.342	1,085.030	1,175.675	1,267.563	1,357.950	1,451.003	6,337.221
Off-budget:							
BA	381.322	395.959	405.950	419.228	433.317	450.223	2,104.677
OT	379.622	394.179	403.780	416.878	430.687	447.303	2,092.827
			By Function				
National Defense (050):							
BA	4.519	1.373	3.196	3.550	3.820	3.903	15.842
OT	1.115	2.378	3.304	3.608	3.707	3.930	16.927
Homeland Security (100):							
BA	0.325	0.734	1.215	1.259	1.309	1.357	5.874
OT	0.253	0.534	1.115	1.210	1.492	1.448	5.799
International Affairs (150):							
BA	−4.996	−0.357	0.756	0.771	0.786	0.800	2.756
OT	−4.805	−2.996	−2.443	−2.570	−2.485	−2.470	−12.964

TABLE 12.—FISCAL YEAR 2005 BUDGET RESOLUTION MANDATORY SPENDING—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
General Science, Space, and Technology (250):							
BA	0.039	0.030	0.030	0.031	0.031	0.032	0.154
OT	0.089	0.111	0.108	0.040	0.031	0.031	0.321
Energy (270):							
BA	−1.244	−0.626	−0.902	−0.941	−0.913	−1.274	−4.656
OT	−3.272	−2.340	−2.242	−2.531	−2.908	−2.659	−12.680
Natural Resources and Environment (300):							
BA	2.064	2.723	2.937	3.122	3.183	3.714	15.679
OT	0.838	1.791	3.007	3.290	3.279	3.909	15.276
Agriculture (350):							
BA	14.493	16.283	18.546	19.426	19.166	20.002	93.423
OT	13.180	15.387	17.412	18.338	18.127	19.108	88.372
Commerce and Housing Credit (370):							
Total							
BA	15.446	7.575	6.319	5.699	5.271	4.940	29.804
OT	11.016	2.651	2.900	0.556	−1.206	−1.812	3.089
On-budget:							
BA	17.946	9.675	9.119	8.599	8.571	8.440	44.404
OT	13.516	4.751	5.700	3.456	2.094	1.688	17.689
Off-budget:							
BA	−2.500	−2.100	−2.800	−2.900	−3.300	−3.500	−14.600
OT	−2.500	−2.100	−2.800	−2.900	−3.300	−3.500	−14.600
Transportation (400):							
BA	44.993	47.246	48.211	50.310	51.353	52.312	249.614
OT	1.444	1.975	1.924	1.774	1.630	1.487	8.790
Community and Regional Development (450):							
BA	1.110	0.402	0.133	0.135	0.054	0.056	0.780
OT	0.490	−0.183	−0.204	−0.190	−0.159	−0.188	−0.924
Education, Training, Employment and Social Services (500):							
BA	11.591	11.844	12.514	12.755	12.843	13.061	63.017
OT	9.500	10.041	11.058	11.258	11.440	11.720	55.517
Health (550):							
BA	190.042	198.778	206.090	219.336	237.955	256.784	1,118.943
OT	190.450	198.884	206.723	219.258	238.024	257.041	1,119.930
Medicare (570):							
BA	265.731	284.028	318.815	358.580	383.638	410.057	1,755.118
OT	264.945	285.113	318.440	358.869	383.679	409.650	1,755.751
Income Security (600):							
BA	285.153	291.492	289.332	293.855	306.292	315.081	1,496.052
OT	283.069	290.710	288.807	293.216	305.271	313.974	1,491.978
Social Security (650):							
Total							
BA	494.095	514.678	535.616	560.919	589.071	620.831	2,821.115
OT	492.395	512.898	533.446	558.569	586.441	617.911	2,809.265
On-budget:							
BA	13.396	15.094	16.589	18.049	19.988	21.989	91.709
OT	13.396	15.094	16.589	18.049	19.988	21.989	91.709
Off-budget:							
BA	480.699	499.584	519.027	542.870	569.083	598.842	2,729.406
OT	478.999	497.804	516.857	540.520	566.453	595.922	2,717.556
Veterans Benefits and Services (700):							
BA	32.198	39.825	37.636	35.602	38.668	39.176	190.907
OT	32.064	39.493	37.581	35.548	38.608	39.135	190.365
Administration of Justice (750):							
BA	4.419	4.954	2.119	2.043	2.051	2.063	13.230

TABLE 12.—FISCAL YEAR 2005 BUDGET RESOLUTION MANDATORY SPENDING—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
OT	4.374	4.326	2.503	2.270	1.991	2.009	13.099
General Government (800):							
BA	6.330	1.768	1.912	1.988	1.567	1.642	8.877
OT	6.458	1.738	1.861	1.974	1.714	1.630	8.917
Net Interest (900):							
Total							
BA	154.858	180.541	220.722	256.528	279.848	296.984	1,234.623
OT	154.858	180.541	220.722	256.528	279.848	296.984	1,234.623
On-budget:							
BA	240.471	270.698	318.909	364.463	398.574	427.464	1,780.108
OT	240.471	270.698	318.909	364.463	398.574	427.464	1,780.108
Off-budget:							
BA	−85.613	−90.157	−98.187	−107.935	−118.726	−130.480	−545.485
OT	−85.613	−90.157	−98.187	−107.935	−118.726	−130.480	−545.485
Allowances (920):							
BA	——	——	——	——	——	——	——
OT	——	——	——	——	——	——	——
Undistributed Offsetting Receipts (950):							
Total							
BA	−58.497	−63.717	−66.517	−75.449	−79.225	−75.495	−360.403
OT	−58.497	−63.843	−66.567	−76.574	−79.887	−74.532	−361.403
On-budget:							
BA	−47.233	−52.349	−54.427	−62.642	−65.485	−60.856	−295.759
OT	−47.233	−52.475	−54.477	−63.767	−66.147	−59.893	−296.759
Off-budget:							
BA	−11.264	−11.368	−12.090	−12.807	−13.740	−14.639	−64.644
OT	−11.264	−11.368	−12.090	−12.807	−13.740	−14.639	−64.644

TABLE 13.—FISCAL YEAR 2005 BUDGET RESOLUTION MINUS THE PRESIDENT'S BUDGET

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
			Summary				
Total Spending:							
BA	0.423	49.454	−9.749	−6.113	−8.243	−5.014	20.335
OT	0.163	22.074	9.791	−1.930	−9.556	−7.062	13.317
On-Budget:							
BA	0.423	49.432	−9.315	−6.438	−8.710	−5.511	18.858
OT	0.163	22.210	9.697	−2.210	−10.001	−7.540	12.156
Off-Budget:							
BA	——	0.022	0.166	0.325	0.467	0.497	1.477
OT	——	−0.136	0.094	0.280	0.445	0.478	1.161
Revenues:							
Total	1.183	2.951	9.771	0.063	7.719	16.860	37.364
On-Budget	1.183	2.951	9.771	0.063	7.719	16.860	37.364
Off-Budget	——	——	——	——	——	——	——
Surplus/Deficit (−):							
Total	1.020	−19.123	−0.020	1.993	17.275	23.922	24.047
On-Budget	1.020	−19.259	−0.074	2.273	17.720	24.400	25.208
Off-Budget	——	0.136	−0.094	−0.280	−0.445	−0.478	−1.161
			By Function				
National Defense (050):							
BA	0.013	−0.177	−0.849	−0.173	0.755	0.658	0.214
OT	0.013	−0.131	−0.677	−0.387	0.374	0.622	−0.199
Homeland Security (100):							
BA	——	0.629	1.402	1.485	1.571	1.665	6.752
OT	——	0.695	1.426	1.497	1.579	1.671	6.868

TABLE 13.—FISCAL YEAR 2005 BUDGET RESOLUTION MINUS THE PRESIDENT'S BUDGET—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
International Affairs (150):							
BA	——	−4.654	−6.919	−7.409	−7.613	−7.514	−34.109
OT	——	−1.024	−2.861	−4.821	−6.130	−6.785	−21.621
General Science, Space, and Technology (250):							
BA	——	−1.043	−1.433	−2.153	−2.278	−2.190	−9.097
OT	——	−0.740	−1.349	−1.900	−2.121	−2.185	−8.295
Energy (270):							
BA	——	−0.380	−0.439	−0.395	−0.247	−0.262	−1.723
OT	——	−0.218	−0.590	−0.437	−0.297	−0.261	−1.803
Natural Resources and Environment (300):							
BA	——	0.431	1.021	1.114	1.071	1.190	4.827
OT	——	0.091	0.261	0.571	0.792	1.013	2.728
Agriculture (350):							
BA	——	−0.259	−0.136	−0.125	−0.206	−0.294	−1.020
OT	——	−0.223	0.031	−0.041	−0.192	−0.320	−0.745
Commerce and Housing Credit (370):							
BA	——	2.380	1.295	0.177	−0.092	−0.790	2.970
OT	——	2.270	3.486	0.972	−0.834	−1.229	4.665
On-budget:							
BA	——	2.380	1.295	0.177	−0.092	−0.790	2.970
OT	——	2.270	3.486	0.972	−0.834	−1.229	4.665
Off-budget:							
BA	——	——	——	——	——	——	——
OT	——	——	——	——	——	——	——
Transportation (400):							
BA	0.269	1.875	2.767	4.955	5.998	6.805	22.400
OT	——	−0.092	0.323	1.638	3.034	4.257	9.160
Community and Regional Development (450):							
BA	——	0.589	0.730	0.774	0.766	0.804	3.663
OT	——	−0.115	0.171	0.596	0.721	0.784	2.157
Education, Training, Employment and Social Services (500):							
BA	0.205	0.524	2.743	2.947	2.812	3.021	12.047
OT	0.215	1.492	2.515	3.589	3.822	3.980	15.398
Health (550):							
BA	0.016	−0.569	−5.754	−7.063	−7.143	−7.143	−27.672
OT	0.016	−0.502	−6.458	−7.160	−7.059	−7.135	−28.314
Medicare (570):							
BA	——	0.247	−0.380	−0.316	−0.334	−0.333	−1.116
OT	——	0.103	−0.265	−0.333	−0.352	−0.350	−1.197
Income Security (600):							
BA	0.007	−0.037	−6.182	−5.668	−5.840	−6.032	−23.759
OT	0.006	−3.003	−6.497	−6.124	−6.072	−6.330	−28.026
Social Security (650):							
BA	——	0.020	0.158	0.310	0.449	0.481	1.418
OT	——	−0.138	0.086	0.265	0.427	0.462	1.102
On-budget:							
BA	——	——	——	——	——	——	——
OT	——	——	——	——	——	——	——
Off-budget:							
BA	——	0.020	0.158	0.310	0.449	0.481	1.418
OT	——	−0.138	0.086	0.265	0.427	0.462	1.102
Veterans Benefits and Services (700):							
BA	——	1.243	2.329	2.599	2.751	3.025	11.947
OT	——	0.465	1.888	2.363	2.613	2.902	10.231

TABLE 13.—FISCAL YEAR 2005 BUDGET RESOLUTION MINUS THE PRESIDENT'S BUDGET—Continued

[In billions of dollars]

Fiscal year	2004	2005	2006	2007	2008	2009	2005–2009
Administration of Justice (750):							
BA	——	−0.230	−0.494	−0.439	−0.491	−0.088	−1.742
OT	——	−1.299	−0.761	−0.602	−0.690	−0.392	−3.744
General Government (800):							
BA	−0.078	−1.716	−1.141	−2.668	−1.070	−1.415	−8.010
OT	−0.078	−0.862	−1.021	−2.651	−1.094	−1.439	−7.067
Net Interest (900):							
BA	−0.009	0.457	0.758	0.960	0.565	−0.610	2.130
OT	−0.009	0.457	0.758	0.960	0.565	−0.610	2.130
On-budget:							
BA	−0.009	0.455	0.750	0.945	0.547	−0.626	2.071
OT	−0.009	0.455	0.750	0.945	0.547	−0.626	2.071
Off-budget:							
BA	——	0.002	0.008	0.015	0.018	0.016	0.059
OT	——	0.002	0.008	0.015	0.018	0.016	0.059
Allowances (920):							
BA	——	50.147	0.302	0.287	0.301	0.316	51.353
OT	——	24.997	18.902	5.387	1.301	0.566	51.153
Undistributed Offsetting Receipts (950):							
BA	——	−0.023	0.473	4.688	0.032	3.692	8.862
OT	——	−0.149	0.423	4.688	0.057	3.717	8.736
On-budget:							
BA	——	−0.023	0.473	4.688	0.032	3.692	8.862
OT	——	−0.149	0.423	4.688	0.057	3.717	8.736
Off-budget:							
BA	——	——	——	——	——	——	——
OT	——	——	——	——	——	——	——

TABLE 14.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2005–2009
		Summary				
Total Spending:						
BA	72.682	143.544	279.054	411.540	548.482	1,455.302
OT	111.460	197.165	295.860	417.331	550.850	1,572.666
On-Budget						
BA	57,638	118.486	240.695	359.070	479.082	1,254.971
OT	96.691	172.675	258.211	365.836	482.711	1,376.124
Off-Budget						
BA	15.044	25.058	38.359	52.470	69.400	200.331
OT	14.769	24.490	37.649	51.495	68.139	196.542
Revenues:						
Total	212.106	403.359	533.513	659.882	794.345	2,603.205
On-Budget	184.249	346.869	448.602	545.593	649.167	2,174.480
Off-Budget	27.857	56.490	84.911	114.289	145.178	428.725
Surplus/Deficit (−):						
Total	100.646	206.194	237.653	242.551	243.495	1,030.539
On-Budget	87,558	174.194	190.391	179.757	166.456	798.356
Off-Budget	13.088	32.000	47.262	62.794	77.039	232.183
		By Function				
National Defense (050):						
BA	−41.910	−19.144	2.456	24.605	46.825	12.832
OT	−4.011	−12.027	−5.198	14.417	36.061	29.242

TABLE 14.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2005–2009
Homeland Security (100):						
BA	4.543	3.989	5.601	6.961	10.861	31.955
OT	5.163	8.464	10.801	12.145	13.567	50.140
International Affairs (150):						
BA	−17.075	−15.828	−15.677	−15.527	−15.376	−79.483
OT	3.567	0.736	−2.567	−3.958	−4.182	−6.404
General Science, Space, and Technology (250):						
BA	−0.009	0.105	0.220	0.335	0.452	1.103
OT	0.556	0.786	0.846	0.866	0.966	4.020
Energy (270):						
BA	0.540	0.281	0.260	0.306	−0.038	1.349
OT	1.142	1.338	0.981	0.603	0.832	4.896
Natural Resources and Environment (300):						
BA	−0.809	−0.453	−0.124	0.080	0.756	−0.550
OT	0.658	1.701	1.943	1.918	2.594	8.814
Agriculture (350):						
BA	1.179	3.466	4.370	4.134	4.995	18.144
OT	2.067	3.876	4.765	4.523	5.522	20.753
Commerce and Housing Credit (370):						
BA	−5.885	−7.135	−7.750	−8.172	−8.497	−37.439
OT	−6.566	−6.206	−8.379	−10.358	−11.008	−42.517
On-budget:						
BA	−6.285	−6.835	−7.350	−7.372	−7.497	−35.339
OT	−6.966	−5.906	−7.979	−9.558	−10.008	−40.417
Off-budget:						
BA	0.400	−0.300	−0.400	−0.800	−1.000	−2.100
OT	0.400	−0.300	−0.400	−0.800	−1.000	−2.100
Transportation (400):						
BA	2.084	3.138	5.326	6.641	7.508	24.697
OT	2.708	4.924	6.851	8.265	9.172	31.920
Community and Regional Development (450):						
BA	−1.891	−2.103	−2.043	−2.066	−2.006	−10.109
OT	−1.210	−2.959	−3.827	−4.051	−3.933	−15.980
Education, Training, Employment and Social Services (500):						
BA	3.060	4.133	4.780	5.275	5.903	23.151
OT	4.087	6.473	6.960	7.570	8.280	33.370
Health (550):						
BA	8.273	15.817	29.295	48.148	67.212	168.745
OT	9.385	16.944	29.645	48.671	67.909	172.554
Medicare (570):						
BA	18.599	53.407	93.192	118.271	144.711	428.180
OT	20.367	53.790	94.257	119.099	145.094	432.607
Income Security (600):						
BA	7.574	5.643	10.396	23.065	32.086	78.764
OT	5.642	3.024	6.871	18.972	27.391	61.900
Social Security (650):						
BA	20.990	41.951	67.277	95.451	127.235	352.904
OT	20.715	41.383	66.567	94.476	125.974	349.115
On-budget:						
BA	1.698	3.193	4.653	6.592	8.593	24.729
OT	1.698	3.193	4.653	6.592	8.593	24.729
Off-budget:						
BA	19.292	38.758	62.624	88.859	118.642	328.175
OT	19.017	38.190	61.914	87.884	117.381	324.386
Veterans Benefits and Services (700):						
BA	9.357	7.322	5.442	8.663	9.327	40.111
OT	8.705	7.739	6.149	9.601	10.248	42.442

TABLE 14.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2005	2006	2007	2008	2009	2005–2009
Administration of Justice (750):						
BA	0.207	−2.502	−2.452	−2.316	−2.177	−9.240
OT	−0.078	−2.067	−2.359	−2.563	−2.482	−9.549
General Government (800):						
BA	−6.608	−6.387	−6.233	−6.576	−6.423	−32.227
OT	−6.624	−7.148	−7.139	−7.465	−7.496	−35.872
Net Interest (900):						
BA	25.683	65.864	101.670	124.990	142.126	460.333
OT	25.683	65.864	101.670	124.990	142.126	460.333
On-budget:						
BA	30.227	78.438	123.992	158.103	186.993	577.753
OT	30.227	78.438	123.992	158.103	186.993	577.753
Off-budget:						
BA	−4.544	−12.574	−22.322	−33.113	−44.867	−117.420
OT	−4.544	−12.574	−22.322	−33.113	−44.867	−117.420
Allowances (920):						
BA	50.000	——	——	——	——	50.000
OT	24.850	18.600	5.100	1.000	0.250	49.800
Undistributed Offsetting Receipts (950):						
BA	−5.220	−8.020	−16.952	−20.728	−16.998	−67.918
OT	−5.346	−8.070	−18.077	−21.390	−16.035	−68.918
On-budget:						
BA	−5.116	−7.194	−15.409	−18.252	−13.623	−59.594
OT	−5.242	−7.244	−16.534	−18.914	−12.660	−60.594
Off-budget:						
BA	−0.104	−0.826	−1.543	−2.476	−3.375	−8.324
OT	−0.104	−0.826	−1.543	−2.476	−3.375	−8.324

TABLE 15.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES

[Percentage change]

Fiscal year	2005	2006	2007	2009	2009
Summary					
Total Spending:					
BA	3.1	6.1	11.9	17.6	23.5
OT	4.9	8.6	12.9	18.2	24.0
On-Budget					
BA	3.0	6.1	12.3	18.4	24.5
OT	5.1	9.0	13.5	19.1	25.3
Off-Budget					
BA	3.9	6.5	10.0	13.6	18.0
OT	3.8	6.4	9.8	13.4	17.8
Revenues					
Total	11.7	22.2	29.4	36.3	43.7
On-Budget	14.5	27.2	35.2	42.9	51.0
Off-Budget	5.1	10.4	15.6	21.0	26.7
Surplus/Deficit (−):					
Total	−21.1	−43.2	−49.8	−50.8	−51.0
On-Budget	−13.7	−27.3	−29.8	−28.2	−26.1
Off-Budget	8.1	19.9	29.4	39.1	47.9
By Function					
National Defense (050):					
BA	−9.1	−4.1	0.5	5.3	10.1
OT	−0.9	−2.7	−1.2	3.2	8.0
Homeland Security (100):					
BA	15.4	13.5	18.9	23.5	36.7
OT	20.8	34.1	43.5	48.9	54.6

TABLE 15.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES—Continued

[Percentage change]

Fiscal year	2005	2006	2007	2009	2009
International Affairs (150):					
BA	−39.2	−36.3	−36.0	−35.6	−35.3
OT	12.2	2.5	−8.8	−13.5	−14.3
General Science, Space, and Technology (250):					
BA	——	0.5	1.0	1.5	2.0
OT	2.5	3.6	3.9	4.0	4.4
Energy (270):					
BA	23.2	12.1	11.2	13.2	−1.6
OT	1935.6	2267.8	1662.7	1022.0	1410.2
Natural Resources and Environment (300):					
BA	−2.5	−1.4	−0.4	0.2	2.4
OT	2.2	5.6	6.4	6.3	8.6
Agriculture (350):					
BA	5.9	17.4	22.0	20.8	25.1
OT	11.2	21.0	25.8	24.5	30.0
Commerce and Housing Credit (370):					
BA	−40.4	−48.9	−53.2	−56.1	−58.3
OT	−64.1	−60.6	−81.8	−101.1	−107.4
On-budget:					
BA	−36.8	−40.0	−43.0	−43.2	−43.9
OT	−54.6	−46.3	−62.6	−75.0	−78.5
Off-budget:					
BA	−16.0	12.0	16.0	32.0	40.0
OT	−16.0	12.0	16.0	32.0	40.0
Transportation (400):					
BA	3.3	5.0	8.5	10.6	11.9
OT	4.6	8.3	11.6	13.9	15.5
Community and Regional Development (450):					
BA	−13.7	−15.3	−14.8	−15.0	−14.6
OT	−7.8	−19.2	−24.8	−26.2	−25.5
Education, Training, Employment and Social Services (500):					
BA	3.4	4.6	5.3	5.9	6.6
OT	4.7	7.5	8.1	8.8	9.6
Health (550):					
BA	3.5	6.7	12.4	20.3	28.4
OT	4.0	7.2	12.6	20.7	28.8
Medicare (570):					
BA	6.9	19.8	34.6	43.9	53.7
OT	7.6	20.0	35.1	44.3	54.0
Income Security (600):					
BA	2.3	1.7	3.2	7.0	9.7
OT	1.7	0.9	2.0	5.6	8.2
Social Security (650):					
BA	4.2	8.4	13.5	19.2	25.5
OT	4.2	8.3	13.4	19.0	25.4
On-budget:					
BA	12.7	23.8	34.7	49.2	64.1
OT	12.7	23.8	34.7	49.2	64.1
Off-budget:					
BA	4.0	8.0	12.9	18.3	24.5
OT	3.9	7.9	12.8	18.2	24.3
Veterans Benefits and Services (700):					
BA	15.3	12.0	8.9	14.2	15.2
OT	14.5	12.9	10.3	16.0	17.1
Administration of Justice (750):					
BA	0.7	−8.4	−8.2	−7.7	−7.3
OT	−0.3	−6.9	−7.8	−8.5	−8.2
General Government (800):					
BA	−27.8	−26.8	−26.2	−27.6	−27.0
OT	−27.0	−29.1	−29.1	−30.4	−30.5
Net Interest (900):					
BA	16.6	42.5	65.7	80.7	91.8

TABLE 15.—FISCAL YEAR 2005 BUDGET RESOLUTION COMPARED TO 2004: TOTAL SPENDING AND REVENUES—Continued

[Percentage change]

Fiscal year	2005	2006	2007	2009	2009
OT	16.6	42.5	65.7	80.7	91.8
On-budget:					
BA	12.6	32.6	51.6	65.7	77.8
OT	12.6	32.6	51.6	65.7	77.8
Off-budget:					
BA	5.3	14.7	26.1	38.7	52.4
OT	5.3	14.7	26.1	38.7	52.4
Allowances (920):					
BA	na	na	na	na	na
OT	na	na	na	na	na
Undistributed Offsetting Receipts (950):					
BA	8.9	13.7	29.0	35.4	29.1
OT	9.1	13.8	30.9	36.6	27.4
On-budget:					
BA	10.8	15.2	32.6	38.6	28.8
OT	11.1	15.3	35.0	40.0	26.8
Off-budget:					
BA	0.9	7.3	13.7	22.0	30.0
OT	0.9	7.3	13.7	22.0	30.0

Reconciliation

As permitted in Section 310 of the Congressional Budget Act (2 U.S.C. 641), the budget resolution provides for two reconciliation bills. The first instructs five authorizing committees to reconcile and report changes in law necessary to achieve the direct spending and revenue levels provided for in the budget resolution to eliminate waste, fraud and abuse in specific programs in their jurisdictions. They must submit their legislative text to the Budget Committee by July 15, 2004. The second is an instruction to 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 committee must submit its legislative text to the full House by October 1, 2004.

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 markup as they would on any other bill, but it is reported to the Budget Committee instead of the House. The Budget Committee then binds all the submissions together and votes the combined measure 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 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 doesn't 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 Committee.

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 Government Reform, 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 savings for fiscal year 2005 and for the period of fiscal years 2005 through 2009. For instance, in discussions between the Committee on Government Reform and the Budget Committee, the former has expressed an interest in possibly reporting legislation that might increase resources to authorize information sharing to allow Federal benefit program limited access to Federal and state administrative date a to verify eligibility. Similarly the Education Committee has indicated that it will focus on legislation that provides fairness in Federal workers' compensation.

The second reconciliation bill is designed to allow one or more bills related to taxation to be moved under reconciliation procedures. The reconciliation instruction directs the Committee on Ways and Means to report a measure that will reduce taxes by $13.182 billion for fiscal year 2005 and by $137.850 billion from 2005 through 2009. No specific tax bill or bills are assumed, though the amounts included in the instruction would allow for a bill that extends certain tax provisions, such as the tax relief provided for in 2001 (in the Economic Growth and Tax Relief Reconciliation Act), and the accelerations of the phase in of certain tax credits, such as the 10-percent tax bracket, the child care tax credit and the marriage-penalty tax relief (from the Jobs and Growth Tax Relief Reconciliation Act).

Because tax measures often include tax credits, the directive to Ways and Means includes the authorization for the Chairman of the Budget Committee to adjust the reconciliation instruction, the relevant allocations and aggregates, in order to allow for an increase in outlays that is caused by these credits. The authority, though, may be made for a reconciliation bill that costs more in total outlays and revenue reduction than the underlying reconciliation instruction.

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

FISCAL YEAR 2005 BUDGET RESOLUTION RECONCILIATION INSTRUCTIONS BY HOUSE AUTHORIZING COMMITTEE

TABLE 16.—SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE IN MANDATORY PROGRAMS (Due July 15, 2004)

[By fiscal year in millions of dollars of outlays]

	2005	2005–2009
Agriculture	−110	−371
Education and Workforce	−5	−43
Energy and Commerce	−410	−2,185
Government Reform	−170	−2,365
Ways and Means (deficit reduction; revenues and outlays)	1,126	8,269

SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF (DUE OCTOBER 1, 2004)

[By fiscal year in millions of dollars]

	2005	2005–2009
Ways and Means (revenue reduction)	13,182	137,580

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 2005

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 2004, and establishes the levels for fiscal year 2005, and each of the 4 years following the budget year, fiscal years 2006 through 2009.

For fiscal year 2005, it establishes a binding ceiling on spending and a floor on revenue. The accompanying report provides a lump sum allocation of discretionary spending authority that, in turn, is distributed to thirteen suballocations for spending on the various programs, projects and activities that need to be funded on an annual basis through appropriations measures. Allocations are also provided to the authorizing committees for fiscal year 2005.

The budget resolution also updates the fiscal year 2004 spending levels to take into account any variations in spending or revenue laws after the fiscal year 2004 budget resolution was passed. 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 2005 through 2009 is important because bills that increase direct spending are subject to 5-year allocations for the period of fiscal years 2005 through 2009. 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 or 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 aggregates 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, 2004, the budget year, fiscal year 2005, and fiscal years 2005 through 2009. The amount of spending included in any function level for fiscal year 2005 is further described in the "Function By Function Description" in this report.

The functions are as follows:

050 National Defense
100 Homeland Security
150 International Affairs
250 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
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 five committees to report changes in programs within their jurisdiction to the Budget Committee by July 15, 2004. 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 Government Reform, and the Committee on Ways and Means. Though each committee determines the policy and program changes, 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 savings for fiscal year 2005 and for the period of fiscal years 2005 through 2009. For instance, in discussions between the Committee on Government Reform and the Budget Committee, the former has expressed an interest in possibly reporting legislation that might increase resources to authorize information-sharing to allow Federal benefit programs limited access to Federal and state administrative data to verify eligibility. Similarly the Education Committee has indicated that it will focus on legislation that provides fairness in Federal workers' compensation.

Section 201(b) directs that, by October 1, 2004, 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 revenues by no more than $13.182 billion in fiscal year 2005 and by more than $137.580 billion over the 2005–09 period. This decrease may be in whatever priorities the Ways and Means Committee determines, though it is in sufficient magnitude to allow a reconciliation bill that extends the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001, which reduced marginal income tax rates, phased in an elimination of the marriage tax penalty, and phased in an increase in the child tax credit. In addition, certain provisions in the Jobs and Growth Tax Relief Reconciliation Act of 2003 could also be extended, such as the accelerated phase-in of the child tax credit, the 10-percent tax bracket, and marriage penalty relief. It does not include other revenue changes that are reflected in the revenue aggregates which would have to be considered outside of reconciliation.

The section also provides authority for the Budget Committee Chairman to adjust the reconciliation instructions should the bill reported include a mix of outlays and revenue, as long as there is no net increase in the deficit in the first year and over the 5-year period, relative to the underlying reconciliation instruction. Though the reconciliation instruction only requires revenue to be reduced, legislation moving under this process could increase outlays because some of the provisions may effect refundable tax credits and payments. These payments to low-income individuals and families are categorized as direct spending and hence will cause an increase in outlays. To keep the spending and revenue levels accurate, this section gives authority to the Chairman of the Budget Committee to make adjustments to the reconciliation instructions, the allocations, and the aggregates to reflect whatever mix of outlay increases and revenue reductions the reconciliation bill makes.

SECTION 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS

This section requires the House Armed Services Committee to submit to the Budget Committee a set of findings that identify two billion dollars in savings from activities that are determined to be of low priority or wasteful or unnecessary to national defense. These savings then can be used to accommodate other priorities such as force protection, munitions and surveillance capabilities. The report must be submitted by May 15, 2004. Its submission would not be considered under reconciliation procedures and it is assumed the savings would be discretionary. The Budget Committee Chairman is then required to submit the report for inclusion in the Congressional Record by no later than May 21, 2004.

TITLE III RESERVE FUNDS AND CONTINGENCY PROCEDURE

Pursuant to section 301(b)(4) of the Congressional Budget Act of 1974, the resolution provides the Chairman of the House Budget Committee with the authority to increase the budget aggregates, and in some cases the allocations, for specified legislation whose costs are not assumed in the allocation and/or aggregates. This section of the Budget Act permits the budget resolution to include "such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act." Without these adjustments, such legislation reported by the committees of jurisdiction would exceed the applicable committee's allocations. This would violate section 302(f) of the Budget Act and subject the measure to a point of order and preclude the House from considering it. Each of the reserve funds established under this title apply to reported bills, amendments, and conference reports.

SUBTITLE A—RESERVE FUNDS FOR LEGISLATION ASSUMED IN BUDGET AGGREGATES

SECTION 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED

This section allows adjustments to be made in the allocations and aggregates for certain deficit neutral legislation. If legislation is reported by a committee that provides health insurance for the uninsured, the Chairman of the Budget Committee may adjust the levels in the allocations and aggregates to the extent such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009. Typically, committees are given an allocation of budget authority and may not spend above that level in the first year and the 5-year period covered by the budget resolution. This allocation may include increases to enable initiatives to move through the process without being subject to Budget Act points of order. This section would enable these initiatives to come to the floor as long as that initiative is deficit neutral in the first year and over the 5 year period.

SECTION 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT

This section allows adjustments to be made in the allocations and aggregates for certain deficit neutral legislation. If legislation is reported by the Energy and Commerce Committee that provides Medicaid coverage for children with special needs (the Family Opportunity Act), the Chairman of the Budget Committee may adjust the levels in the allocations and aggregates to the extent such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009. This section would allow these initiatives to come to the floor with offsets, as long as that initiative is deficit neutral in the first year and over the 5 year period.

SECTION 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN

Section 303 establishes a deficit-neutral reserve fund should legislation be reported, an amendment offered, or conference report submitted which increases military survivor benefits. The purpose of this section is to encourage an examination of existing mandatory spending accounts so that appropriate reductions may be used to offset a potential survivor benefit expansion. The committee believes that policy reform with respect to military survivor benefits is achievable in a manner that alleviates inequities in existing policy while remaining within a responsible budget framework.

SECTION 304. RESERVE FUND FOR PENDING LEGISLATION

This section allows an adjustment to be made for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has been adopted by the House in the first session of the 108th Congress and is acted on by the Senate, enacted by the Congress, and presented to the President. The adjustment, made by the chairman of the Committee on the Budget to the allocations and aggregates to reflect any resulting savings from any such measure. The effect of any adjustment would be to lock in the savings for deficit reduction. The Chairman of the Budget Committee will consult with the committees of jurisdiction before making any adjustments pursuant to this section.

SUBTITLE B—CONTINGENCY PROCEDURE

SECTION 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION

This section provides for an increase above the levels provided for in the budget resolution should the Transportation 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 2004. A comprehensive transportation measure is expected to be enacted some time before the end of fiscal year 2004 and the Budget Committee expects to work closely with the Transportation 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 budget authority 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. RESTRICTIONS ON ADVANCE APPROPRIATIONS

Section 401 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 2005 that first becomes available for any fiscal year after 2005.

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 402. EMERGENCY LEGISLATION

Section 402 provides Congress with the authority to designate spending provisions as “emergencies.” It adopts criteria for evaluating emergency spending. It also exempts supplemental appropriations for the Department of Defense for contingency operations related to the global war on terrorism as exempt from budget controls.

Section 402(a) provides a special exemption from budget controls for a supplemental spending measure for the Department of Defense for "contingency operations related to the global war on terrorism." Though $50 billion has been budgeted for fiscal year 2005 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 response of the appropriations committees of the House and the Senate.

Subsection (b) exempts spending designated as an emergency under this section from the budget resolution and as such emergency designated spending would not trigger a point of order. This is largely the same procedure as was included in the budget resolution from fiscal year 2004, H. Con. Res 95. 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:

"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."

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 403. COMPLIANCE WITH SECTION 13301 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 404. APPLICATION AND EFFECTS OF CHANGES IN ALLOCATIONS AND AGGREGATES

This section sets forth the procedures for making adjustments for the reserve funds included 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 approximately 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 the adjustments provided for in the reserve funds, 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 any of the reserve funds in the resolution have the same effect as if they were part of the original levels set forth in section 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 Chairman of the Committee of the whole House on the appropriate levels and estimates related to legislation being considered on the floor.

TITLE V—SENSE OF THE HOUSE

SECTION 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY

Section 501 includes a Sense of the House on Spending Accountability. The language indicates that it is the sense of the House that authorizing committees should actively engage in oversight utilizing a specified lists of metrics, that all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification, that committees should submit written justifications for earmarks, that the fiscal year 2005 budget resolution should be vigorously enforced, that legislation should be enacted establishing statutory limits on appropriations and a PAY–AS–YOU–GO rule for new and expanded entitlement programs, and that Congress should make every effort to offset nonwar-related supplemental appropriations.

SECTION 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM

Section 502 includes a sense of the House on Entitlement Reform.

The Congressional Budget Process

The spending and revenue levels established in the budget resolution are executed through two parallel, but separate, mechanisms: allocations to the appropriations and authorizing committees, and reconciliation directives to the authorizing committees. The budget resolution may include instructions directing the authorizing committees to report legislation complying with entitlement, revenue, deficit or debt reduction targets. The report accompanying the budget resolution distributes or "allocates" amounts set forth in the budget aggregates for programs, projects and activities to the Appropriations Committee for annual appropriations and the authorizing committees if they have permanent or multiyear spending authority. For fiscal year 2005 the budget resolution reported from 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 reauthorize 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 2004), the budget year (fiscal year 2005), and the 5-year period (fiscal years 2005 through 2009). Section 302 of the Congressional Budget Act of 1974 (as modified by the Balanced Budget Act of 1997) requires that allocations of budget authority be provided in the budget resolution for the first fiscal year and at least the 4 ensuing fiscal years (except for the Committee on Appropriations which only receives an allocation 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 1 October 2004. 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 13 subcommittees. 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

Since 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 2005 through 2009.

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 2004 will be measured against the revised level for that year included in the fiscal year 2005 budget resolution, and also the 5-year period of fiscal year 2004 through 2008.

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. Several deficit-neutral adjustments are permitted for three reserve funds:

- In section 301, adjustments in the allocations and aggregates may be made for legislation reported by any committee that provides health insurance for the uninsured. These adjustments may only be made by the Chairman of the Budget Committee to the extent that such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009.
- In section 302, adjustments in the allocations and aggregates may be made for legislation is reported by Energy and Commerce

Committee that provides Medicaid coverage for children with special needs (the Family Opportunity Act). These adjustments may only be made by the Chairman of the Budget Committee to the extent that such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009.

- In section 303, adjustments in the allocations and aggregates may be made for legislation reported by the House Armed Services Committee that provides widows benefits. These adjustments may only be made by the Chairman of the Budget Committee to the extent that such legislation is deficit neutral in fiscal year 2005, and the period of fiscal years 2005 through 2009.

Two other adjustments are permitted: For a certain legislation having already passed the House during the first session of the 108th Congress, and for a contingency procedure related to transportation spending.

- In section 304 This section allows an adjustment to be made for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and is acted on by the Senate, enacted by the Congress, and presented to the President.
- In section 311, 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 they are either offset by changes in law either in that measure, or in previously enacted legislation. The changes in law must dedicate the additional resources to the Highway Trust Fund. Under the terms of this reserve fund, 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. The outlays resulting therefrom 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's 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 this authority expired, emergencies could be designated in legislation, and the Chairman of the Budget Committee adjust the reporting committee's allocation for 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, spending provisions may be designated as emergencies in law pursuant to section 402 of this resolution and are hence exempt from points of order under the Congressional Budget Act.

ENFORCEMENT

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

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 revenues. 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 doesn't increase or decrease spending (or revenue) is considered extraneous and hence violates the Byrd Rule, and may be removed from the bill, unless sixty 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]

	2004	2005
Discretionary Action:		
General Purpose[1]		
BA	874,602	818,736
OT	894,848	901,816
Bioshield[1]		
BA	885	2,528
OT	199	596
Total Discretionary Action		
BA	875,487	821,264
OT	895,047	902,412
Current Law Mandatory		
BA	430,527	459,142
OT	416,858	444,662

Note: [1] Shown for display purposes only.

TABLE 18.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES

COMMITTEES OTHER THAN APPROPRIATIONS

	2004	2005	2006	2007	2008	2009	Total 2005–2009
Agriculture Committee:							
Current Law							
BA	15,283	18,081	19,893	20,930	20,606	6,460	85,970
OT	14,562	17,244	20,075	21,129	20,749	6,505	85,702
Reconciliation:							
BA	——	−170	−80	−85	−20	−20	−375
OT	——	−110	−86	−91	−51	−33	−371
Reauthorizations							
BA	——	——	——	——	27,750	44,155	71,905
OT	——	——	——	——	26,381	44,113	70,494
Total							
BA	15,283	17,911	19,813	20,845	48,336	50,595	157,500
OT	14,562	17,134	19,989	21,038	47,079	50,585	155,825
Armed Services Committee:							
Current Law							
BA	81,728	85,817	90,718	94,292	97,956	101,543	470,326
OT	78,181	86,742	90,749	94,296	97,738	101,437	470,962
Discretionary Action							
BA	13	——	——	——	——	——	——
OT	13	——	——	——	——	——	——
Total							
BA	81,741	85,817	90,718	94,292	97,956	101,543	470,326
OT	78,194	86,742	90,749	94,296	97,738	101,437	470,962
Committee on Education and the Workforce:							
Current Law							
BA	6,840	7,097	7,743	7,930	7,960	8,122	38,852
OT	5,463	6,105	6,979	7,106	7,146	7,293	34,629
Discretionary Action							
BA	95	−27	215	231	100	96	615
OT	85	−27	215	231	100	96	615
Reconciliation							
BA	——	−5	−12	−11	−8	−7	−43
OT	——	−5	−12	−11	−8	−7	−43
Reauthorizations							
BA	388	399	410	3,151	3,222	3,297	10,479
OT	385	397	408	1,512	2,639	3,245	8,201
Total							
BA	7,323	7,464	8,356	11,301	11,274	11,508	49,903
OT	5,933	6,470	7,590	8,838	9,877	10,627	43,402
Energy and Commerce Committee:							
Current Law							
BA	144,407	154,932	203,595	241,870	255,189	274,085	1,129,671
OT	143,650	155,872	203,729	241,311	258,401	275,087	1,134,400
Discretionary Action							
BA	——	891	6,168	−43	−282	781	7,515
OT	——	744	6,055	−1,197	−955	1,801	6,448
Reconciliation							
BA	——	−410	−425	−440	−450	−460	−2,185
OT	——	−410	−425	−440	−450	−460	−2,185
Reauthorizations							
BA	——	——	——	——	5,040	5,040	10,080
OT	——	——	——	——	1,312	3,502	4,814
Total							
BA	144,407	155,413	209,338	241,387	259,497	279,446	1,145,081
OT	143,650	156,206	209,359	239,674	258,308	279,930	1,143,477
Financial Services Committee:							
Current Law							
BA	8,513	3,855	4,176	3,573	3,357	3,036	17,997
OT	4,979	−361	287	−627	−1,873	−2,357	−4,931
Discretionary Action							
BA	——	1	1	7	7	1	17

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

COMMITTEES OTHER THAN APPROPRIATIONS

	2004	2005	2006	2007	2008	2009	Total 2005–2009
OT	——	1,301	1,301	607	207	1	3,417
Total							
BA	8,513	3,856	4,177	3,580	3,364	3,037	18,014
OT	4,979	940	1,588	−20	−1,666	−2,356	−1,514
Government Reform Committee:							
Current Law							
BA	71,404	69,443	72,286	74,694	77,604	80,597	374,624
OT	69,744	67,754	70,548	72,948	75,828	78,790	365,868
Discretionary Action							
BA	——	1	3	5	5	5	19
OT	——	1	3	5	5	5	19
Reconciliation							
BA	——	−170	−470	−545	−580	−600	−2,365
OT	——	−170	−470	−545	−580	−600	−2,365
Total							
BA	71,404	69,274	71,819	74,154	77,029	80,002	372,278
OT	69,744	67,585	70,081	72,408	75,253	78,195	363,522
Committee on House Administration:							
Current Law							
BA	74	77	73	73	76	75	374
OT	197	35	16	48	212	48	359
International Relations Committee:							
Current Law							
BA	9,728	11,425	12,425	12,713	12,961	13,209	62,733
OT	12,812	11,712	11,676	11,946	12,178	12,413	59,925
Resources Committee:							
Current Law							
BA	4,285	4,788	4,160	4,215	3,898	3,461	20,522
OT	3,391	3,792	3,912	4,017	3,543	3,530	18,794
Discretionary Action							
BA	——	77	76	60	47	42	302
OT	——	77	76	60	47	42	302
Total							
BA	4,285	4,865	4,236	4,275	3,945	3,503	20,824
OT	3,391	3,869	3,988	4,077	3,590	3,572	19,096
Judiciary Committee:							
Current Law							
BA	8,726	9,357	6,297	6,244	6,316	6,396	34,610
OT	8,784	8,790	6,699	6,507	6,289	6,357	34,642
Discretionary Action							
BA	——	15	5	5	5	5	35
OT	——	15	5	5	5	5	35
Total							
BA	8,726	9,372	6,302	6,249	6,321	6,401	34,645
OT	8,784	8,805	6,704	6,512	6,294	6,362	34,677
Transportation and Infrastructure Committee:							
Current Law							
BA	31,022	16,755	16,885	17,149	13,495	13,711	77,995
OT	11,632	13,788	13,626	13,660	13,803	13,843	68,720
Discretionary Action							
BA	——	1,737	2,713	4,787	6,023	6,810	22,070
OT	——	4	2	2	2	2	12
Reauthorizations							
BA	23,923	41,010	41,010	41,010	44,710	44,710	212,450
OT	101	330	504	572	603	621	2,630
Total							
BA	54,945	59,502	60,608	62,946	64,228	65,231	312,515
OT	11,733	14,122	14,132	14,234	14,408	14,466	71,362
Science Committee:							
Current Law							
BA	40	31	31	32	32	33	159

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

COMMITTEES OTHER THAN APPROPRIATIONS

	2004	2005	2006	2007	2008	2009	Total 2005–2009
OT	90	112	109	41	32	32	326
Small Business Committee:							
Current Law							
BA	3,237	——	——	——	——	——	——
OT	3,237	——	——	——	——	——	——
Veterans' Affairs Committee:							
Current Law							
BA	−1,044	1,247	1,256	1,256	1,246	1,220	6,225
OT	−1,036	1,266	1,292	1,315	1,320	1,307	6,500
Reauthorizations							
BA	——	467	960	1,385	2,065	2,653	7,530
OT	——	466	940	1,361	2,017	2,604	7,388
Total							
BA	−1,044	1,714	2,216	2,641	3,311	3,873	13,755
OT	−1,036	1,732	2,232	2,676	3,337	3,911	13,888
Ways and Means Committee:							
Current Law							
BA	614,124	642,390	700,046	769,742	829,446	884,866	3,826,490
OT	616,801	643,889	701,438	770,731	830,725	885,732	3,832,515
Discretionary Action							
BA	608	991	549	472	433	202	2,647
OT	115	889	567	694	577	182	2,909
Reconciliation							
BA	——	−626	−636	−646	−671	−690	−3,269
OT	——	−626	−636	−646	−671	−690	−3,269
Reauthorizations							
BA	7,737	19,606	19,606	19,911	20,764	20,779	100,666
OT	6,944	18,606	20,266	20,164	20,326	20,707	100,069
Total							
BA	622,469	662,361	719,565	789,479	849,972	905,157	3,926,534
OT	623,860	662,758	721,635	790,943	850,957	905,931	3,932,224

Enforcing the Budget Resolution

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

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

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 committee, at the same time it ordered this budget resolution reported, also considered and passed the "Spending Control Act of 2004" which re-establishes and revises the statutory controls over the budget from the BEA.

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 10-year total for bills increasing revenue, but only to the budget year for appropriations bills. Section 311 does not apply to spending bills that 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 2005.

On March 11, 2004 the Committee met in open session, a quorum being present. After recessing subject to the call of the chair, the Committee reconvened on March 17, 2004.

The committee adopted and ordered reported the Concurrent Resolution on the Budget for fiscal year 2005. The following votes were taken in Committee:

Mr. Shays 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; and that amendments be considered as read.

There was no objection to the unanimous consent requests.

The following votes were taken by the committee:

1. Ms. Brown-Waite offered an amendment to increase function 700 by the following amounts: For fiscal year 2004: $0 in budget authority; and $0 in outlays; for fiscal year 2005: $200 million in budget authority; and $100 million in outlays; for fiscal year 2006: $201 million in budget authority; and $168 million in outlays; for fiscal year 2007: $202 million in budget authority; and $190 million in outlays; for fiscal year 2008: $203 million in budget authority; and $198 million in outlays; for fiscal year 2009: $204 million in budget authority; and $201 million in outlays.

The amendment also decreased funding in function 800 by the following amounts: For fiscal year 2004: $0 in budget authority; and $0 in outlays; for fiscal year 2005: $200 million in budget authority; and $100 million in outlays; for fiscal year 2006: $201 million in budget authority; and $168 million in outlays; for fiscal year 2007: $202 million in budget authority; and $190 million in outlays; for fiscal year 2008: $203 million in budget authority; and $198 million in outlays; for fiscal year 2009: $204 million in budget authority; and $201 million in outlays.

The amendment by Ms. Brown-Waite was agreed to by voice vote.

2. Representatives Davis, Moran, Moore, Ford, Thompson, Baird, Majette, Cooper, and Kind offered an amendment to include a point of order against any bill that increased the on-budget deficit in any year. The point of order would require two-thirds of the House to vote to waive it.

The amendment was not agreed to on a roll call vote of 17 ayes and 23 noes.

VOTE NO. 2, DAVIS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

3. Representatives Edwards, Hooley, Baldwin, DeLauro, Baird, Cooper, and Scott offered an amendment to increase function 050 (National Defense) by the following amounts: $2.541 billion in

budget authority in fiscal year 2005; $1.352 billion in outlays in fiscal year 2005; $643 million in outlays in fiscal year 2006; $321 million in outlays in fiscal year 2007; $114 million in outlays in fiscal year 2008; $27 million in outlays in fiscal year 2009. The amendment also increased funding in function 500 (Education and Training) by the following amounts: $14 million in budget authority in fiscal year 2005; $12 million in outlays in fiscal year 2005, $1 million in outlays in fiscal year 2006; and $1 million in outlays in fiscal year 2007.

The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

The amendment was not agreed to by a roll call vote of 17 ayes and 23 noes.

VOTE NO. 3, EDWARDS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

4. Representatives Emanuel, Baldwin, DeLauro, Scott, Capps and Majette offered an amendment on prescription drugs to decrease funding in function 920 (Allowances) the following amounts: $100 million in budget authority in fiscal year 2005; by $100 million in outlays in fiscal year 2005; $100 million in budget authority in fiscal year 2006; by $100 million in outlays in fiscal year 2006; by $300 million in budget authority in fiscal year 2007; by $300 million in outlays in fiscal year 2007; by $300 million in budget authority in fiscal year 2008; by $300 million in outlays in fiscal year 2008; by $300 million in budget authority in fiscal year 2009; and by $300 million in outlays in fiscal year 2009. It increases revenues by $100 million each year in 2007, 2008 and 2009.

The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing revenue and outlay changes.

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

VOTE NO. 4, EMANUEL

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON			
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

5. Representatives Hooley, Moran, Baldwin, Moore, Ford, Scott, Capps, Thompson, Emanuel, Davis, Majette, and Kind offered an amendment to increase function 500 (Education and Training) by $6.152 billion in budget authority in fiscal year 2005; by $582 million in outlays in fiscal year 2005; by $4.186 billion in outlays in fiscal year 2006; by $1.209 billion in outlays in fiscal year 2007; and by $174 million in outlays in fiscal year 2008.

The amendment provided that aggregate levels of revenues be adjusted by amounts equal to the foregoing outlay changes.

The amendment was not agreed to agreed to by a roll call vote of 16 ayes and 22 noes.

VOTE NO. 5, HOOLEY

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY				Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS			
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

6. Representatives Majette, Hooley, Baldwin, DeLauro, Scott, Capps, Davis, and Kind offered an amendment to increase funding for function 370 (Commerce and Housing Credit) by the following amounts: $203 million in budget authority in fiscal year 2005; $88 million in outlays in fiscal year 2005; $82 million in outlays in fiscal year 2006; $18 million in outlays in fiscal year 2007; $8 million in outlays in fiscal year 2008; and $1 million in outlays in fiscal year 2009. The amendment also would increase funding for function 500 (Education, Training, Employment and Social Services) by the following amounts: $150 million in budget authority in fiscal year 2005; $19 million in outlays in fiscal year 2005; $100 million in outlays in fiscal year 2006; $26 million in outlays in fiscal year 2007; and $3 million in outlays in fiscal year 2008; and $2 million in outlays in fiscal year 2009. The amendment also would to increase funding for function 600 (Income Security) by the following amounts: $6.494 billion in budget authority in fiscal year 2005 and $6.494 billion in outlays fiscal year 2005. The amendment would increase revenue by the following amounts: $206 million in outlays in fiscal year 2005, $287 million in outlays in fiscal year 2006; $264 million in outlays in fiscal year 2007; $192 million in outlays in fiscal year 2008; and $142 million in outlays in fiscal year 2009.

The amendment provided that aggregate levels of revenues be adjusted by amounts equal to the foregoing net budgetary cost.

The amendment was not agreed to by a roll call vote of 17 ayes and 21 noes.

VOTE NO. 6, MAJETTE

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS				Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN				Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER				Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

7. Representatives Thompson, Spratt, Davis, Cooper and Kind offered an amendment to extend PAYGO rules.

The amendment was not agreed to by a roll call vote of 17 ayes and 21 noes.

VOTE NO. 7, THOMPSON

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS				Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING							
Ms. BROWN–WAITE							

8. Representatives Edwards, Hooley, Baldwin, Moore, Capps, Thompson, Baird, Davis, Majette, and Kind offered an amendment to increase funding for function 700 (Veterans Benefits and Services) by the following amounts: $1.466 billion in budget authority in fiscal year 2005; $1.319 billion in outlays fiscal year 2005; $132 million in outlays in fiscal year 2006; $6 million in outlays in fiscal year 2007, and $1 million in outlays in fiscal year 2008.

The amendment provided that the deficit be reduced in the budget resolution by an amount equal to twice the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

The amendment was not agreed to by a roll call vote of 16 ayes and 21 noes.

VOTE NO. 8, EDWARDS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN				Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING							
Ms. BROWN–WAITE							

9. Representatives Moran, Hooley, Baldwin, Scott, Capps, Emanuel, Majette and Kind offered an amendment to increase function 920 (Allowances) by the following amounts: $155 million in budget authority in fiscal year 2005; $84 million in outlays in fiscal year 2005; $48 million in outlays in fiscal year 2006; $15 million in outlays in fiscal year 2007; $5 million in outlays in fiscal year 2008. The amendment also increased funding in function 400 (Transportation) by the following amounts: $619 million in budget authority in fiscal year 2005; $290 million in outlays in fiscal year 2005; $175 million in outlays in fiscal year 2006 and $150 million in outlays in fiscal year 2007. It increased funding in function 450 (Community and Regional Development) by the following amounts: $500 million in budget authority in fiscal year 2005; $75 million in outlays in fiscal year 2005; $200 million in outlays in fiscal year 2006; $200 million in outlays in fiscal year 2007 and $25 million in outlays in fiscal year 2008. It increased funding in function 750 (Administration of Justice) by the following amounts: $240 million in budget authority in fiscal year 2005; $168 million in outlays in fiscal year 2005 and $72 million in outlays in fiscal year 2006. It in-

creased funding in function 050 (National Defense) by the following amounts: $100 million in budget authority in fiscal year 2005; $1 million in outlays in fiscal year 2005; $15 million in outlays in fiscal year 2006; $30 million in outlays in fiscal year 2007; $35 million in outlays in fiscal year 2008 and $18 million in outlays in fiscal year 2009. It increased funding in function 150 (International Affairs) by the following amounts: $12 million in budget authority in fiscal year 2005; $7 million in outlays in fiscal year 2005; $3 million in outlays in fiscal year 2006; $1 million in outlays in fiscal year 2007 and $1 million in outlays in fiscal year 2008.

The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

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

VOTE NO. 9, MORAN

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN				Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER				Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS				Ms. MAJETTE			
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. DIAZ–BALART		X					
Mr. HENSARLING							
Ms. BROWN–WAITE		X					

10. Representatives Baldwin, DeLauro, Hooley, Lewis, Edwards, Capps, Cooper, Emanuel, Davis and Majette offered an amendment to increase funding for function 600 (Income Security) by the following amounts: $1.262 billion in budget authority in fiscal year 2005; $947 million in outlays fiscal year 2005; $265 million in fiscal year 2006 and $50 million in outlays in fiscal year 2007. It provided for a reserve fund for the uninsured. It also provided that aggregate levels of revenues be adjusted by amounts equal to the foregoing outlay changes.

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

VOTE NO. 10, BALDWIN

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN			
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING							
Ms. BROWN–WAITE		X					

11. Representatives Scott, Moran, Hooley, Moore, Baird, Emanuel, Davis and Majette offered an amendment to increase funding for function 750 (Administration of Justice) by the following amounts: $1.3 billion in budget authority in fiscal year 2005; $475 million in outlays fiscal year 2005; $350 million in outlays in fiscal year 2006, $275 million in outlays in fiscal year 2007, $175 million in outlays in fiscal year 2008 and $25 million in outlays in fiscal year 2009. The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

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

VOTE NO. 11, SCOTT

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

12. Representatives Kind, Capps, Moran, Hooley, Baldwin, Davis and Majette offered an amendment to increase funding for function 300 (Natural Resources and Environment) by the following amounts: $2.232 billion in budget authority in fiscal year 2005; $1.629 billion in outlays in fiscal year 2005; $354 million in outlays in fiscal year 2006, $90 million in outlays in fiscal year 2007 and $159 million in 2008. It provided for a conservation spending category. The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

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

VOTE NO. 12, KIND

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL			
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

13. Representatives Baird, Moran, DeLauro, Thompson, Davis and Majette offered an amendment to increase funding for function 400 (Transportation) by the following amounts: $5.856 billion in budget authority in fiscal year 2005; $1.415 billion in outlays in fiscal year 2005; $2.293 billion in outlays in fiscal year 2006, $1.037 billion in outlays in fiscal year 2007, $476 million in outlays in fiscal year 2008 and $345 million in outlays in fiscal year 2009. It provided for a conservation spending category. It also provided that aggregate levels of revenues be adjusted by amounts equal to the foregoing outlay changes.

The amendment was not agreed to by a roll call vote of 19 ayes and 22 noes.

VOTE NO. 13, BAIRD

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF				Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

14. Representatives Capps, Cooper, Davis and DeLauro offered an amendment to strike the reconciliation instructions to the Committee on Energy and Commerce. The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

The amendment was not agreed to by a roll call vote of 19 ayes and 22 noes.

VOTE NO. 14, CAPPS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF				Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

15. Representatives Cooper, Moran, Emanuel and DeLauro offered an amendment to increase funding for function 800 (General Government) by the following amounts: $3 million in budget authority in fiscal year 2004; $2 million in outlays in fiscal year 2004 and $1 million in outlays in fiscal year 2005. The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

The amendment was not agreed to by a roll call vote of 19 ayes and 24 noes.

VOTE NO. 15, COOPER

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

16. Representatives Edwards, Hooley, Emanuel, Capps, Baldwin, Majette, Scott and Moran offered an amendment to replace section 303 and increase funding for function 050 (National Defense) by the following amounts: −$1.0 million in budget authority and −$1.0 million in outlays in fiscal year 2005; $90 million in budget authority and $90 million in outlays in fiscal year 2006; $52 million in budget authority and $52 million in outlays in fiscal year 2007; $71 million in budget authority and $71 million in outlays in fiscal year 2008 and $286 million in budget authority and $286 million in outlays in fiscal year 2009. The amendment provided that the deficit be reduced in the budget resolution by an amount equal to the foregoing outlay changes. It also provided that aggregate levels of revenues be adjusted by amounts equal to twice the foregoing outlay changes.

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

VOTE NO. 16, EDWARDS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE							

17. Mr. Davis offered an amendment to increase budget authority and outlays for function 450 by $50 million in 2005 to fund empowerment zones; to increase budget authority and outlays for function 450 by $40 million in 2005 to fund the Brownfield Redevelopment Program; to increase budget authority and outlays for function 600 by $40 million in 2005 to fund the Rural Housing and Economic Development Program; to increase budget authority and outlays for function 600 by $500 million in 2005 to fund the Community Development Block Grant Program; and to increase budget authority and outlays for function 550 by $150 million in 2005 to fund Rural Health Activities.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a roll call vote of 17 ayes and 20 noes.

VOTE NO. 17, DAVIS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS				Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE							

18. Ms. DeLauro offered an amendment to include a Sense of the House that Federal work should not be taken offshore, and that State governments should not be eligible to receive Federal funds unless they certify each year that such funds will not be spent offshore.

The amendment was not agreed to by a roll call vote of 16 ayes and 20 noes.

VOTE NO. 18, DE LAURO

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

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. SHAYS		X		Mr. MORAN			
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER							
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE							

19. Ms. Hooley offered an amendment to increase budget authority and outlays for function 300 to reflect increased funding for the Army Corps of Engineers. Budget authority: $1.335 billion in 2005; outlays: $1.001 billion in 2005; and $334 million in 2006.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a roll call vote of 17 ayes and 20 noes.

VOTE NO. 19, HOOLEY

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER							
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE							

20. Ms. Majette offered an amendment to include a Sense of Congress that the budget resolution assumes that the Centers for Disease Control and Prevention's building and facilities master plan should be adequately funded so that it may be brought to completion.

The amendment was not agreed to by voice vote.

21. Mr. Kind offered an amendment to increase budget authority and outlays for function 500 to reflect increased funding for programs under the Carl D. Perkins Vocational and Technical Education Act. Budget authority: $272 million in 2005; outlays: $8.2 million in 2005; $195.8 million in 2006; $54.4 million in 2007; and $13.6 million in 2008.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a roll call vote of 17 ayes and 21 noes.

VOTE NO. 21, KIND

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER							
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

22. Mr. Moore offered an amendment to waive the Gephardt Rule for the second session of the 108th Congress.

The amendment was not agreed to by a roll call vote of 16 ayes and 21 noes.

VOTE NO. 22, MOORE

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT				Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD			
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

23. Mr. Moran offered an amendment to include a Sense of Congress that the rate of increase in compensation for Federal civilian employees should be the same as that for military employees in fiscal year 2005.

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

VOTE NO. 23, MORAN

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

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS				Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK				Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER				Mr. THOMPSON			
Mr. HULSHOF		X		Mr. BAIRD			
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

24. Ms. Hooley offered an amendment to increase budget authority and outlays for function 300 to reflect increased funding for the Healthy Forests Act. Budget authority: $494 million in 2005; outlays: $345.8 million in 2005; $98.8 million in 2006; $49.4 million in 2007.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by voice vote.

25. Ms. Baldwin offered an amendment to increase budget authority and outlays for function 550 to reflect increased funding for the National Institutes of Health. Budget authority: $360 million

in 2005; outlays: $97 million in 2005; $187 million in 2006; $40 million in 2007; $18 million in 2008.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a roll call vote of 17 ayes and 23 noes.

VOTE NO. 25, BALDWIN

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN				Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

26. Mr. Lewis offered an amendment to increase budget authority and outlays for function 600 to reflect increased funding for

HOPE VI. Budget authority: $574 million in 2005; outlays: $11 million in 2006; $75 million in 2007; $115 million in 2008; $115 million in 2009.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a roll call vote of 17 ayes and 23 noes.

VOTE NO. 26, LEWIS

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN				Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD			
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

27. Ms. DeLauro offered an amendment to change the reconciliation instructions in the chairman's mark to reflect the following: The Ways and Means Committee would be directed to increase outlays by $1.7 billion and reduce revenues by $2.377 billion to increase the refundable portion of the child tax credit.

The amendment was not agreed to by a roll call vote of 18 ayes and 23 noes.

VOTE NO. 27, DE LAURO

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN				Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER			
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

28. Mr. Thompson offered an amendment to create a point of order against any measure containing new budget authority which reduces revenue and which first takes effect beyond the fifth fiscal year of the current budget resolution.

The amendment was not agreed to by voice vote.

29. Mr. Emanuel offered two amendments en bloc. One increased revenue by $875 million in 2005 and reduced revenue by $875 million in 2006. These changes reflect a 1-year extension of the higher education tuition deduction through 2006, offset (over 5 years) by a 2-year reduction in the deductibility of SUVs purchased for business use.

The other amendment included a Sense of the House that Congress should enact legislation establishing a trigger mechanism for the negotiation of prescription drug prices by HHS.

The amendment was not agreed to by a roll call vote of 19 ayes and 24 noes.

VOTE NO. 29, EMANUEL

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY		X		Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

30. Mr. Davis offered an amendment to increase budget authority and outlays for function 350 by $18.8 million in 2005 to reflect increased funding for certain colleges, including Tuskegee University.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

Mr. Davis withdrew the amendment.

31. Mr. Kind offered an amendment to reduce budget authority and outlays for function 350 to reflect payment limits under the Farm Security and Rural Investment Act of 2002. Budget authority and outlays: −$101 million; 2006: −$285 million; 2007: −$305 million; 2008: −$260 million; 2009: −$286 million.

The amendment also would have increased budget authority and outlays for function 300 to reflect increased funding for various conservation programs. Budget authority and outlays: 2005: $32 million; 2006: $92 million; 2007: $100 million; 2008: $84 million; 2009: $92 million. It would have increased budget authority and outlays for function 450 to reflect increased funding for value-added development programs. Budget authority and outlays: 2005: $1.4 million; 2006: $4.1 million; 2007: $4.5 million; 2008: $3.8 million; 2009: $4.2 million. It would have increased budget authority and outlays for function 600 to reflect increased funding for child nutrition programs. Budget authority and outlays: 2005: $16 million; 2006: $46 million; 2007: $50 million; 2008: $42 million; 2009: $46 million.

It also provided that the deficit would be reduced by an amount equal to the outlay changes in the appropriate function for the prior changes, and that the aggregate levels of revenue should be increased by amounts equal to twice the foregoing outlay changes, reflecting a reduction in the tax relief assumed in the budget resolution.

The amendment was not agreed to by a voice vote.

32. Ms. DeLauro offered two amendments en bloc. One amendment would have included a Sense of the House that Congress provide States with sufficient funds to meet Federal standards under the Unfunded Mandates Reform Act.

The other amendment would have reduced budget authority and outlays for function 920 to reflect reductions in funds available to HHS for public education on the Medicare Prescription Drug and Modernization Act of 2003. It would have reduced budget authority by $80 million in 2004, and outlays by $24 million in 2004, $56 million in 2005, and $66 million in 2006.

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

VOTE NO. 32, DE LAURO

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

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. SHAYS		X		Mr. MORAN	X		
Mr. GUTKNECHT		X		Ms. HOOLEY	X		
Mr. THORNBERRY		X		Ms. BALDWIN	X		
Mr. RYUN		X		Mr. MOORE	X		
Mr. TOOMEY				Mr. LEWIS	X		
Mr. HASTINGS		X		Mr. NEAL	X		
Mr. PORTMAN		X		Ms. DeLAURO	X		
Mr. SCHROCK		X		Mr. EDWARDS	X		
Mr. BROWN		X		Mr. SCOTT	X		
Mr. CRENSHAW		X		Mr. FORD	X		
Mr. PUTNAM		X		Mrs. CAPPS	X		
Mr. WICKER		X		Mr. THOMPSON	X		
Mr. HULSHOF		X		Mr. BAIRD	X		
Mr. TANCREDO		X		Mr. COOPER	X		
Mr. VITTER		X		Mr. EMANUEL	X		
Mr. BONNER		X		Mr. DAVIS	X		
Mr. FRANKS		X		Ms. MAJETTE	X		
Mr. GARRETT		X		Mr. KIND	X		
Mr. BARRETT		X					
Mr. McCOTTER		X					
Mr. DIAZ–BALART		X					
Mr. HENSARLING		X					
Ms. BROWN–WAITE		X					

33. Mr. Nussle offered an amendment in the nature of a substitute to reduce revenue and increase budget authority and obligation limits in function 400 to reflect technical changes in the contingency procedure for surface transportation.

The amendment was agreed to by voice vote.

34. Mr. Shays made a motion that the Committee adopt the aggregates, function totals, and other appropriate matter, with any amendments.

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

Chairman Nussle called up the Concurrent Resolution on the Budget for Fiscal year 2005 incorporating the aggregates, function totals, and other appropriate matter as previously agreed.

35. Mr. Shays made a motion that the Committee report the Concurrent Resolution with a favorable recommendation and that

the Concurrent Resolution do pass. The motion offered by Mr. Shays was agreed to by a roll call vote of 24 ayes and 19 noes.

VOTE NO. 35, FOR FAVORABLE RECOMMENDATION

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman	X			Mr. SPRATT, Ranking		X	
Mr. SHAYS	X			Mr. MORAN		X	
Mr. GUTKNECHT	X			Ms. HOOLEY		X	
Mr. THORNBERRY	X			Ms. BALDWIN		X	
Mr. RYUN	X			Mr. MOORE		X	
Mr. TOOMEY	X			Mr. LEWIS		X	
Mr. HASTINGS	X			Mr. NEAL		X	
Mr. PORTMAN	X			Ms. DeLAURO		X	
Mr. SCHROCK	X			Mr. EDWARDS		X	
Mr. BROWN	X			Mr. SCOTT		X	
Mr. CRENSHAW	X			Mr. FORD		X	
Mr. PUTNAM	X			Mrs. CAPPS		X	
Mr. WICKER	X			Mr. THOMPSON		X	
Mr. HULSHOF	X			Mr. BAIRD		X	
Mr. TANCREDO	X			Mr. COOPER		X	
Mr. VITTER	X			Mr. EMANUEL		X	
Mr. BONNER	X			Mr. DAVIS		X	
Mr. FRANKS	X			Ms. MAJETTE		X	
Mr. GARRETT	X			Mr. KIND		X	
Mr. BARRETT	X						
Mr. McCOTTER	X						
Mr. DIAZ–BALART	X						
Mr. HENSARLING	X						
Ms. BROWN–WAITE	X						

Mr. Shays 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

Land Grant Colleges

During committee consideration of the budget resolution, Mr. Davis raised the issue of Land Grant Colleges. To be clear on this matter, the committee recognizes the outstanding achievements of 1890 Colleges of Agriculture. The committee understands that Section 7203 of the Farm Security and Rural Investment Act of 2002 recommended specific percentage levels of appropriated funds for the 1890 schools for Research Formula and Extension Formula grant programs. The committee recommends that the intent of Section 7203 be fully considered and that the 1890 Colleges be treated fairly during consideration of funding levels in the coming fiscal year.

Statute of Liberty

The terrorist attacks of September 11, 2001 had a devastating effect on the travel and tourism industry. Many of our national treasures, including the White House and the U.S. Capitol Building, were closed to the public for many months. Security plans had to be devised and implemented, and the American people understood that safety had priority over access during that time.

In the two and one-half years since the attacks, the U.S. Capitol has resumed tours, including the specialized tour of the Capitol Dome. The White House, which on its faces the gravest security threat, is once again available to tourists.

Unfortunately, the Statue of Liberty has remained closed to the public since it was shut down indefinitely on September 11, 2001. Currently, renovations are underway to upgrade safety and security measures. However, there is no scheduled date to reopen the Statue.

This Committee encourages the National Park Service to continue to diligently work toward re-establishing the Statue of Liberty as a safe and secure site. We believe it would gratify all Americans if the Statue of Liberty could debut her renovations on July 4, 2004. No other day could be more appropriate for unveiling one of the most universal symbols of political freedom and democracy.

The Inland Waterway System

It is the view of the Budget Committee that the inland waterway system is vital to the nation's economy, and that the nation must invest in navigation infrastructure so that agriculture and other industries can compete in the international marketplace.

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 plays 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 2005 includes the final funding amount necessary to finish the overall Animal Disease Center modernization project. Accordingly, the Committee believes that the request should be fully funded so that the modernization project can be finished in a timely manner.

SKILLED NURSING FACILITIES

It is the view of the Committee that any changes in Medicare reimbursements for skilled nursing facilities or in the Federal matching assistance provided to state Medicaid programs for nursing facility care be carefully considered and monitored to ensure that the financial stability of this vital health care sector and access to quality care is not jeopardized.

SMARTBUY

In 2003, OMB estimated that enterprise software licensing, utilizing the purchasing power of the Federal Government though the Federal initiative known as the "SmartBUY" program, could save taxpayers more than $100 million dollars annually.

The combination of $100 million in annual savings achieved through SmartBUY, while concurrently achieving billions of dollars of long-term savings derived through IT consolidation, deserves priority attention and an efficient process that takes advantage of savings opportunities. There appear to be even more immediate opportunities with enterprise licensing in the human resources and statistical data areas, where shorter-term tangible savings seem most achievable. These particular SmartBUY savings, combined with savings derived from the bulk purchase of computer security software and standard desktop utilities, would provide an excellent jump-start to reaching the $100 million annual savings goal.

This Committee recommends a thorough examination of the advantages and obstacles to the implementation of SmartBUY in an effort to fight duplicative government procedures that lead to unnecessary spending and waste.

COASTAL EROSION IN LOUISIANA

The committee is concerned about coastal erosion in areas such as Louisiana. Sensitive wetland habitats are disappearing at an alarming rate, and 90 percent of all coastal marsh loss in the 48 contiguous states occurs in Louisiana. In the 1900s, 1.2 million acres vanished, and another 330,000 to 430,000 acres will disappear by 2050 unless substantial action is taken. Loss of these wetlands further exposes productive domestic energy resources, critical transportation routes, low-lying areas, and many of the nation's busiest seaports to increased vulnerability to hurricanes, flooding, and erosion damage.

The budget resolution can accommodate increased levels of Federal funding in cooperation with the state of Louisiana and local authorities to protect and restore Louisiana's coastal wetlands, often called "America's Wetlands."

Regulatory Review of Federal Agencies

The Committee believes that Congress should establish a mechanism for reviewing Federal agencies and their regulations with the express purpose of making recommendations to Congress when agencies prove to be inefficient, duplicative, outdated, irrelevant, or fail to accomplish their intended purpose. It is an economic reality that unnecessary and ineffective regulations discourage investment and run counter to a holistic vision of growth. They increase prices for consumers and suppress job creation. Making agencies more accountable to Congress and the American people will lead to more efficient practices and less waste.

General Fund Diesel Fuel Excise Tax

The unfair and discriminatory 4.3 cents per gallon general fund excise tax imposed on rail and inland waterway carriers should be repealed. This tax unfairly targets railroad and barges for discriminatory tax treatment and is inconsistent with sound transportation policy. The resolution also opposes the creation or diversion of revenue from the tax to new or existing Federal trust funds. The Committee on the Budget will work with the committees of jurisdiction on this matter as it proceeds through the legislative process.

Volumetric Ethanol Excise Tax Credit

Renewable fuels reduce America's dependence on foreign oil. Existing ethanol tax incentives have successfully expanded the demand and use of renewable fuels. However, the replacement of the current excise tax exemption for gasoline/ethanol blends (gasohol) with a Volumetric Ethanol Excise Tax Credit [VEETC] will improve the Federal ethanol tax incentive by simplifying reporting requirements for taxpayers, reducing fuel fraud and accurately reflecting highway use of vehicles burning gasohol blends. The Committee on the Budget will work with the committees of jurisdiction on this matter as it proceeds through the legislative process.

Telehealth

Telehealth is a dynamic tool that is improving access to the health care services throughout the country. Advancement in telecommunications now allows patients and health care providers in medically underserved areas to access the resources available in a multitude of hospitals and academic institutions within their state and nationwide. Additionally, providing telehealth services to patients in their homes is an effective tool to manage chronic diseases and to strengthen communities and their economic base by keeping services local.

It is the view of the Committee that telemedicine is vital to the practice of delivering efficient and effective health care services in areas that are underserved. Easy access, via telehealth, to healthcare services not normally available in underserved communities, can shorten the time to diagnosis and treatment, improving patient outcomes and reducing health care costs.

Accordingly, the Committee supports proposals that would create regional telehealth resource centers which provide assistance with respect to technical, legal and regulatory service delivery or other related barriers to the deployment of telehealth technologies; that fund telehealth network grant programs that will provide necessary healthcare services to underserved areas; that provide grants to State professional licensing boards to carry out programs to reduce statutory and regulatory barriers to telemedicine; and that provide grants for mental health services provided via telehealth programs. Likewise, the committee recognizes the importance of studying rate and cost structure, diagnostic effectiveness and payment methodology as means to determining the effectiveness of telemedicine in rural areas.

School Lunch Program

Studies show that children who have access to meals at school have a higher retention rate and are enabled to learn and to succeed in school. Unfortunately, reduced price meals are oftentimes unaffordable for many low-income, working parents; particularly at the end of the month.

It is the view of the Committee that consideration be given to making modifications to the Richard B. Russell National School Lunch Act to raise the free income guideline threshold. This change will take an important step toward harmonizing the Federal guidelines for school meals with other Federal assistance programs. Furthermore, the Committee supports working toward proposals to eradicate hunger and malnourishment among children.

Nuclear Cleanup

The Budget Committee believes consideration should be given to the President's $7.4 billion request for the Department of Energy's [DOE] Environmental Management Program for Fiscal Year 2005. This funding level would continue the commitment to accelerating the completion of cleanup by decades and saving billions of dollars in spending.

Science Research and Education

The budget resolution recognizes the importance of the research and education initiatives of the Department of Energy's Office of Science and the National Science Foundation to the nation's economic future and our position as the world's leader in technology innovation.

Investment in the physical sciences, life sciences, engineering, mathematics and computing is critical to our national security, energy security, as well as development of the next generation of America's scientists and engineers.

Just as Congress has recognized the importance of increased support and funding for health sciences research, it is important to invest in the basic science research conducted by the DOE Office of Science's national labs and the NSF.

FITZSIMONS ARMY HOSPITAL

The Budget Committee recognizes the importance of new construction projects within the Department of Veterans Affairs and the benefits these projects can bring to the improved health care of our nation's veterans. The University of Colorado School of Medicine plans a major relocation of all its facilities to the site of the closed Fitzsimons Army Hospital. The Department of Veterans Affairs recently endorsed the concept of recommending replacement and co-location of the Denver VA Medical Center, a 50-year old structure, to the Fitzsimons site. This project should be given consideration within the context of either the Department of Veterans Affairs Medical Programs funding allocations for construction projects, or the Department of Defense budget.

HOMELAND SECURITY

The Committee is concerned about the growing number of local governments that have adopted policies restricting both the flow of information regarding persons in custody from local police departments to Federal Homeland Security authorities, and from Federal Homeland Security authorities to local police departments. Such policies violate Federal law (8 U.S.C. 1373(a)), and undermine antiterrorism efforts. The Committee believes that the Department of Justice should vigorously enforce the provisions of 8 U.S.C. 1373(a), and that Congress should consider sanctioning those local governments who refuse to comply.

FORMERLY USED DEFENSE SITES

The Committee recognizes the continuing challenges presented to state and local governments by the finding of unexploded and hazardous munitions on sites previously used for training by the Department of Defense. The U.S. Army Corps of Engineers is conducting reclamation and mitigation activities at the former Lowry Bombing and Gunnery Range in Arapahoe County, Colorado. The site has been identified as the third ranking priority for cleanup nationally, and the top priority in the State of Colorado. Given the proximity of the site to Cherry Creek High School, Aurora Reservoir, and encroaching suburbs, the Committee believes that cleanup efforts can be accelerated.

JOINT TASK FORCE 6

The Committee is pleased with the work of Joint Task Force 6 in combating narco-trafficking and drug smuggling. In recent years, both these activities and the cartels that carry them out have expanded their operations to include, or become intertwined with criminal syndicates engaged in human-trafficking. The Committee believes that as Joint Task Force 6 is reorganized and integrated into the Joint Interagency Task Force at NORTHCOM, its mission should be expanded to combat human-trafficking, and that adequate funding should be provided within the context of the Department of Homeland Security, Department of Defense, and Department of Justice budgets to carry out such efforts.

ARTIFICIAL NEURAL NETWORKS

The Committee is aware of research into Artificial Neural Networks [ANN] which are capable of recognizing complex patterns in data and information. The Committee believes such networks are excellent tools for clinical decision making in prostate cancer, testicular cancer, cardiovascular problems, and other medical situations. Research to date has been encouraging, but expansion of the research efforts to include a more diverse population base would aid the ANN in determining optimal treatment. Therefore, the Committee asks that the ANN receive full consideration in the funding of cooperative studies research and medical research under the Department of Veterans Affairs Medical and Prosthetic Research budget in order to continue research in the diagnosis and prognosis of prostate cancer.

POSTAL REFORM LEGISLATION

The Budget Committee supports enactment of postal reform legislation in the 108th Congress, accommodated within the budget process. The Committee recognizes that successful postal reform will not be possible without abolishing the escrow provision of the Postal Service Civil Service Retirement System Funding Reform Act of 2003. The Committee expresses concern that without reform the United States Postal Service [USPS] faces severe financial straits, although short-term financial prospects may have improved because retirement obligations are less burdensome than presumed. With unfunded retiree health benefits and an outdated business model, the USPS would be bankrupt but not for the fact that it is a government entity, with Treasury borrowing rights. This outdated business model needs to be reformed.

The Postal Service has stated that failure by Congress to remove the CSRS escrow account would cause an additional 5.4 percent rate increase in 2006 and even larger increases in later years. The Committee supports the efforts to limit the need to increase postal rates but remains concerned about the budgetary impact of the escrow. The Committee fully understands that the failure of Congress to allow for consideration of postal reform legislation that includes the removal of the CSRS escrow account would directly impact the Postal Service's revenue and rate planning and will trigger a postal rate increase for all users in 2006, over and on top of any rate increases needed to fund postal operations. The Committee supports the efforts of the Committee on Government Reform to improve the financial transparency of the Postal Service as an essential component of comprehensive postal reform legislation.

The Committee will continue to work with the Government Reform Committee to accommodate reasonable postal reform legislation within the budget process.

PAYMENT IN LIEU OF TAXES

The Committee is encouraged by the gradual reduction in Federal land acquisition appropriations over the last few years, but further reductions should be made. The Federal Government already holds title to large amounts of Federal land, and continues to acquire more despite the well documented fact that Federal land management agencies are unable to adequately manage even the lands that they currently administer.

HEALTH PLAN AND EMPLOYER REIMBURSEMENT UNDER MEDICARE AND ERISA

Public and private health plans and employers pay the medical expenses of insured individuals when they are injured by a third party, but in these circumstances public and private health plans and employers are allowed under Federal law to be repaid if the individual later recovers damages from the third party causing the injury. The right of recovery is an important means to restore Federal revenue, to contain private health plan and employer costs and to reduce health care premiums for individuals. The Committee understands the recovery rights of Federal health programs (Medicare, FEHPB and M+C) and private health plans have been eroded by recent court decisions. The result is higher Federal and private health plan costs. Last year, Congress acted to shore up the Medicare program's recovery right. The Committee encourages the committees of jurisdiction to adopt legislation that will strengthen the right of recovery for Federal programs and private health plans and employers.

RETURNING STABILITY TO PAYMENTS UNDER MEDICARE PHYSICIAN FEE SCHEDULE

(a) FINDINGS—The Committee finds that:

(1) The fees Medicare pays physicians and other health professionals were reduced by 5.4 percent across-the-board in 2002;

(2) action by Congress in early 2003 narrowly averted a 4.4 percent across-the-board reduction in such fees that year;

(3) in the fall of 2003, Congressional action was once again needed to prevent an across-the-board reduction of 4.5 percent in such fees for 2004, as well as an anticipated further reduction in 2005;

(4) there are major flaws in the formula Medicare uses to reimburse physicians which result in steep cuts that adversely impact Medicare beneficiaries' access to care; and,

(5) CMS should consider using its authority to exclude Medicare-covered drugs and biologics from the physician formula and accurately reflect in the formula the direct and indirect cost of increases due to coverage decisions, administrative actions, and rules and regulations.

(b) SENSE OF THE COMMITTEE—It is the sense of the Committee that, while recent actions by Congress have helped address the immediate reductions in reimbursement, further action by Congress will be needed to put in place a new formula or mechanism for updating Medicare physician fees in 2006 and thereafter, in order to ensure:

(1) the long-term stability of the Medicare payment system for physicians and other health care professionals, such that payment rates keep pace with practice cost increases; and

(2) future access to physicians' services for Medicare beneficiaries.

Accounts Identified For Advance Appropriations

INTERIOR APPROPRIATIONS

Elk Hills (89 5428 02 271)

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION APPROPRIATIONS

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 APPROPRIATIONS

Transportation (highways; transit; Farley Building)

TREASURY, GENERAL GOVERNMENT APPROPRIATIONS

Payment to Postal Service (18 1001 01 372)

VETERANS, HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS

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

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 of Reps. John M. Spratt, James P. Moran, Darlene Hooley, Tammy Baldwin, Harold E. Ford, Jr., John Lewis, Richard E. Neal, Rosa L. DeLauro, Chet Edwards, Robert C. Scott, Lois Capps, Brian Baird, Jim Cooper, Rahm Emanuel, Artur Davis, Denise L. Majette, Ron Kind

Fiscal Year 2005 Budget Resolution

Three years ago, Congress was at a crossroads. The budget was in surplus for a third year; and we had a choice. We could keep our promise never again to borrow and spend the Social Security Trust Fund, use the trust fund only to buy back Treasury bonds, and over ten years, buy up most of the Treasury debt held by the public.

As we approached that decision, President Bush took office with an advantage no president ever has enjoyed. His Office of Management and Budget (OMB) looked out ten years and saw nothing but surpluses, $5.6 trillion in all, between 2002 and 2011. The President paid little heed to other options, and steered through Congress tax cuts totaling $1.7 trillion. He said we could have it all: tax reduction and debt reduction, and both more tax cuts and more defense.

Democrats were also for tax cuts, but moderate cuts aimed at middle-income Americans. We warned against: (1) betting the budget on a blue-sky forecast, and passing tax cuts so large that they left no margin for errors or contingencies; (2) making the tax cuts so big that they left no room for other priorities, like education, health care, infrastructure, and defense; or (3) overlooking the sources of the surplus, and in particular, the half that came from Social Security and Medicare, which we had promised never to borrow and spend again.

Republicans dismissed those concerns, and three years later, the country faces the consequences: a deficit of $521 billion this year, and debt accumulation of $1.2 trillion over last year, this year, and the next.

Surplus Declines $8.5 Trillion Under Republican Leadership

Unified Budget Surplus, Trillions of Dollars

	2002-2011
January 2001	5.610
August 2001	3.397
January 2002	1.601
August 2002	0.336
January 2003	0.020
President's 2005 Budget	**-2.928**

Democrats warned about the forecast, and sure enough, the forecast was way off the mark, wrong by at least 50 percent. After adjusting for the forecasting error, the remaining surplus was $2.8 trillion, which is roughly equal to the surpluses accumulating in Social Security and Medicare over the same time.

Democrats said, "Save Social Security first." Instead, Republicans elected to make tax cuts first, and make them so large that this year's Republican budget now borrows and spends all of the Social Security surplus and all of the Medicare surplus.

Democrats warned about contingencies, and unfortunately, they happened. They have driven up the cost of defense, plus homeland security, by more than a trillion dollars between 2002 and 2011. As a consequence, there are fewer resources left for priorities like education, medical research, law enforcement, rural development, and workforce improvement.

Now, instead of a budget in surplus, the country has a budget mired so deep in deficit that it can only be moved back to surplus with bold measures, and this budget resolution does not make them. House Republicans do make an effort to differentiate their budget resolution from the President's budget, a sign that Republicans are beginning to take exception to the President's fiscal policies. But basically the 2005 Republican budgets are the same.

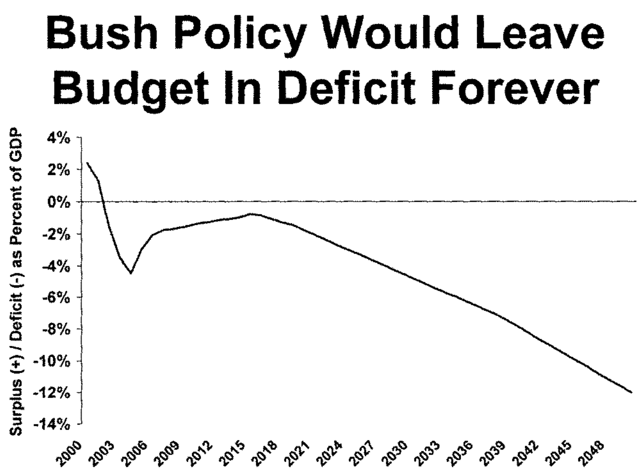
The Chairman's Mark Has Smaller Deficits Because Tax Cuts Are Missing

Deficit in President's Budget	-1,859
Deficit in Chairman's Mark	-1,789
Difference	70
Higher Revenues in Chairman's Mark	32
Percent of Smaller Deficit Due to Tax Cuts	45%
Omitted AMT	23
Omitted R&E	24
Uncommitted Tax Cut in Chairman's Mark	-15
Total Net Missing Tax Cuts in Mark	**32**

Both the House Republican budget and the President's purport to cut the deficit in half by 2009, but the House Republican budget gets there by adding $50 billion for the cost of Iraq and Afghanistan next year, and then including nothing over the next four years. As the chart above shows, the Republican resolution leaves out several tax cuts that the President assumes, cuts international funding by $4.7 billion below the President's request, and calls for $13 billion in unspecified waste, fraud, and abuse savings. While Democrats strongly support efforts to root out true instances of wasteful government spending, we note that last year's budget resolution called for $265 billion in waste, fraud, and abuse savings — which were not attained.

Both the House Republican budget and the President's budget duck the long-run reality. Both budgets are run out only five years instead of ten — not because of uncertainty, but rather to escape showing the damage that Republican tax cuts will do to the deficit beyond 2009, if they are renewed when they expire.

Fortunately, OMB looks out farther than five years. In Chapter 12 of *Analytical Perspectives,* OMB extends the President's budget over time, and, by implication, the House Republican budget, as well, since they are basically the same. When Republicans claim that their budget will reduce the deficit by half within five years, it leaves people thinking that the Republican budget is linear, and within five more years it will wipe out the deficit. The graphs in Chapter 12 show just the contrary. They show that under the House Republican budget, or the President's budget, the deficit grows worse with time. In fact, OMB makes six different assumptions about growth and productivity and the cost of health care, and in all six cases, the deficit gets worse — worse absolutely and worse as a percentage of GDP.



As bad as these numbers appear, the real numbers are worse, and here are two reasons why: (1) the Republican budget does not capture the full impact of its tax cuts on revenues. It omits, for example, a permanent fix to the Alternative Minimum Tax (AMT) that we all know must come; and (2) the Republican budget also does not capture the full impact of the President's defense strategy on spending. It omits, for example, the long-run cost of our deployments in Iraq and Afghanistan.

The $3.8 Trillion Tax Agenda

President's Tax Proposals: Enacted, Proposed, and Hidden

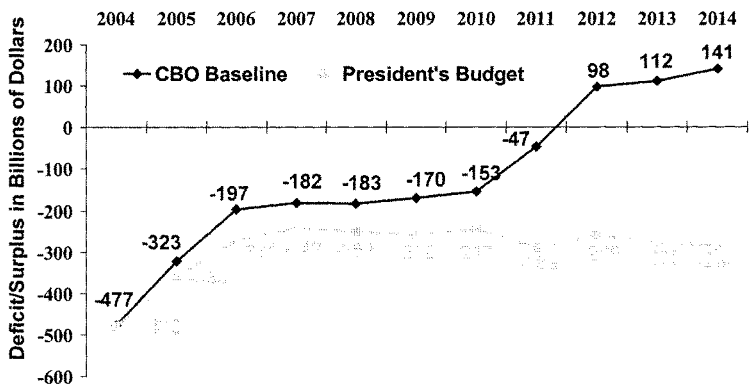
Trillions of Dollars	2005-2014
2001 Tax Cut	1.042
2002 Stimulus	-0.070
2003 Tax Cut	0.135
Make Above Tax Cuts Permanent	1.233
AMT	0.549
New Tax Proposals in 2005 Budget	0.163
Subtotal	3.051
Corresponding Debt Service	0.722
TOTAL TAX AGENDA	**$3.773**

Source: CBO and Joint Committee on Taxation, AMT includes interaction with EGTRRA/JGTRRA permanence
New Tax Proposals are OMB estimates, do not include AMT   Updated 3/10/04

The above chart is our estimate of Republican tax cuts, plus the agenda of tax cuts pending per the President's request. This chart includes a fix to AMT, because we think a fix is inevitable.

Everyone knows that the budget before us cannot accommodate such enormous tax cuts and be moved into balance. But this year, faced with deficits as far as the eye can see, the President added more tax cuts to his agenda. His budget for 2005 asks for $1.3 trillion in additional tax reduction, even though he has to know that there is no surplus to offset them, and he has to know that these tax cuts can only add dollar-for-dollar to the deficit. This amounts to a deliberate choice to put tax cuts ahead of deficit reduction.

Republican Tax Cuts Prevent Budget Balance

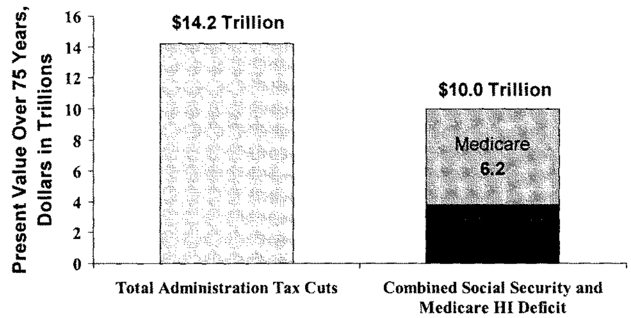


Baseline Amounts Assume 2004 Supplemental Does Not Repeat in 2005 and Beyond

What causes the Congressional Budget Office's (CBO's) current services budget to climb out of deficit and into surplus in 2011? The above graph assumes that the 2001 and 2003 tax cuts will expire and not be renewed in 2011. That says volumes about the root cause of the deficit.

In pressing for still more tax cuts, the President also puts tax cuts ahead of Social Security.

Tax Cuts Larger than Social Security and Medicare Deficit Combined



Social Security's critics act as if solvency is not feasible. They argue that Social Security has to be cut or privatized to be saved. But as this chart shows, the revenues lost to the President's tax cuts are enough to save Social Security and Medicare, enough to make them solvent over the next 75 years. So, the President's request to make his tax cuts permanent also amounts to a request to place tax cuts, heavily tilted to the wealthy, over and above restoring solvency in Social Security and Medicare.

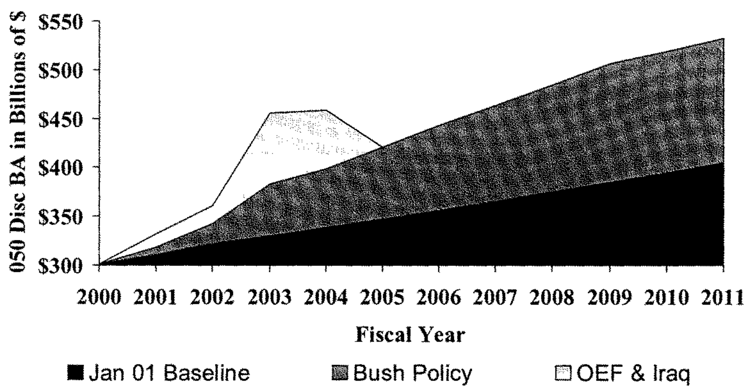
Defense Increases During Bush Administration

(National Defense Discretionary Budget Authority in Billions of Dollars)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-2011
CBO January Baseline 2001	321.8	330.3	338.9	347.4	356.3	365.5	374.9	384.6	394.5	404.9	3619.0
Policy Increases Excluding Supplemental	20.7	52.3	59.7	73.2	86.3	97.8	109.4	121.9	124.7	127.6	873.6
Iraq/OEF Supplemental	18.4	72.4	59.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	150.7
Total Increase	39.1	124.7	119.6	73.2	86.3	97.8	109.4	121.9	124.7	127.6	1024.3
Total Bush Defense Program	**360.9**	**455.0**	**458.5**	**420.6**	**442.6**	**463.3**	**484.3**	**506.5**	**519.2**	**532.5**	**4634.4**

While cutting taxes by $3 - $4 trillion dollars, the President's budget raises defense by better than $1 trillion dollars between 2002 through 2011. The chart above shows what is happening to the defense budget. The top row lays out CBO's current services baseline for defense in 2001; on this row, spending rises at the rate of inflation from 2002 through 2011. The next row shows the increases due to President Bush's policies. The next shows the supplemental appropriations for Iraq and Afghanistan through 2004, with nothing afterward. The bottom row shows the total increase in defense: $1.0 trillion billion between 2002 and 2011. That's a $1 trillion increase in defense *above inflation* over ten years, and does not even include any costs beyond 2004 for deployments in Iraq and Afghanistan.

Increased Cost of Defense Under Bush Administration



The President says that to bring down the deficit, we've got to rein in spending. Well, defense is where spending is really growing, and we have to ask ourselves honestly: how much of this spending can we hope to rein in? House Republicans initially set out to cut the President's seven percent increase by one half of a percentage point. Thirty-four Republicans vowed not to vote for a budget resolution that included that cut, and the proposed cut was dropped. Senator Nickles took $7 billion out of the President's request, but the full Senate restored the $7 billion cut by a vote of 96-4.

When you combine more than $1 trillion in defense spending with more than $3 trillion in tax cuts, it is no wonder that the budget faces enormous, unending deficits. The Republican budgets have made tax cuts the top priority, and other key priorities like Social Security, education, veterans, and the environment have been shortchanged as a consequence.

The attached report, prepared by the House Budget Committee Democratic staff, provides additional analysis of the Chairman's mark of the budget resolution. The budget resolution reported by the Budget Committee differs slightly from the Chairman's mark as the result of a manager's amendment approved during the markup of the budget resolution.

HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

March 15, 2004

House Budget Chairman's Mark for 2005 Budget Resolution: Deficits and Deferred Answers

Overview

The Chairman's mark has the same flaws as the President's budget. Both budgets add billions of dollars to the deficit and public debt. Neither budget does anything to protect Social Security from growing pressures of the retiring baby boom generation. And both budgets provide more tax cuts at the expense of other national priorities. Over five years, the Chairman's mark provides $9.2 billion (0.2 percent) less than the President in discretionary spending, and $41.7 billion (0.6 percent) less than the President in mandatory spending. Both the President and House Republicans cut taxes at the expense of key domestic services and our public debt.

Chairman's Mark Adds Billions of Dollars to Our Growing Deficits and Fails to Put Social Security on Solid Footing

The Budget Resolution Makes the Growing Deficit Worse — In January 2001, based on then-current law, CBO projected a $432.9 billion *surplus* for 2005. After three years of the Bush Administration's fiscal policies, we are facing a $363.3 billion *deficit* in 2005, and that is before any new tax cuts or other policies the President is proposing. Those policies already enacted have taken $5.6 trillion in projected surpluses for the period between 2002 and 2011 and turned them into at least $2.9 trillion in deficits. That is an $8.5 trillion reversal in the fiscal position of the U.S. Government. Like the President's budget, the Chairman's mark continues to dig the hole deeper, with a deficit of $377.7 billion in 2005.

House Budget Committee Chairman's Mark versus CBO Baseline
(in Billions of Dollars)

	2005	2006	2007	2008	2009	2005 to 2009
Deficits in CBO Baseline*	323	197	182	183	170	1,055
Deficits under Chairman's**	352	252	233	232	232	1,302
Increases in the deficit due to the plan	**29**	**55**	**51**	**49**	**62**	**247**

Source: Center on Budget and Policy Priorities. Rows and columns may not add due to rounding.
** CBO March 2004 baseline adjusted to treat the $87 billion fiscal year Iraq supplemental as a one-time cost.*
*** To be comparable with the CBO baseline, excludes the $50 billion fiscal year 2005 supplemental for operations in Iraq that is part of the Chairman's mark.*

The Chairman's Mark Increases Deficits Almost As Much As the President's Budget — From 2004 through 2009, and adjusting for the Chairman's inclusion of some costs for the war in Iraq (which the President's budget omits), the deficit in the Chairman's mark is better than the President by only $70.1 billion — a difference of only about $14 billion per year on average.

Much of the Difference Between the Chairman's Mark and the President Comes from Omitting Some of the President's Tax Cuts — About $31.6 billion of the $70.1 billion difference — 45 percent — comes from higher revenues assumed in the Chairman's mark. In other words, almost half of the difference in the bottom line in the Chairman's mark comes from omitting some of the President's proposed tax cuts. If Republicans really want more tax cuts, of course, then that difference goes away. Extending the research and experimentation tax credit, plus the President's one-year Alternative Minimum Tax (AMT) fix, would wipe out that $31.6 billion of five-year deficit reduction.

The Chairman's Mark, Like the President's Budget, Leaves Social Security in Peril — As Federal Reserve Chairman Alan Greenspan recently made clear before the House Budget Committee, if the Republicans want to make their tax cuts permanent, they will have to consider cuts in entitlement programs such as Social Security. And though the President's budget and the Chairman's mark both limit their horizons to five years, both the President and House Republican leadership have indicated they want to make the tax cuts permanent. Indeed, the Chairman's mark, like the President's budget, spends the entire $1.0 trillion Social Security surplus from 2005 to 2009. A budget that is deep in deficit hinders any effort to make Social Security financially sound for current and future retirees and workers.

Discretionary Appropriations

The Chairman's discretionary top line is similar to the President's. The Chairman's mark provides $871.3 billion for 2005, including $50 billion for contingency operations related to the global war on terrorism. Excluding that $50 billion, the budget provides $821.3 billion[1] for 2005. It provides $1.6 billion (0.2 percent) less than the President's request for 2005, and provides $9.2 billion (0.2 percent) less than the President over five years.

2005 Appropriations in Various Budgets
(Budget Authority in Billions of Dollars)

	2004* Freeze	2005 Baseline	2005** Chairman's Mark	2005 President
Domestic Non-Homeland Security	343.2	353.3	342.7	339.4
International Affairs	26.8	27.2	26.9	31.6
National Defense	397.4	405.4	420.6	420.8
Homeland Security (domestic)	28.6	29.2	31.0	31.1
Total	**796.1**	**815.0**	**821.3**	**822.9**

** The 2004 freeze figures exclude funding from the 2004 supplemental funding bill.*
*** Excludes the $50 billion in Iraq War costs in Function 920.*

The Chairman's mark increases funding for both national defense and homeland security. These increases, along with the tax cuts, squeeze all other funding; the Chairman's mark cuts 2005 domestic non-homeland security funding just slightly below a freeze at the 2004 enacted level, and then increases it by only 0.5 percent in each succeeding year.

Domestic Non-Homeland Security Funding Frozen for 2005 — The Chairman's mark essentially freezes 2005 funding for programs outside of defense, international affairs, and homeland security. That $342.7 billion for domestic non-homeland security programs is $10.5 billion (3.0 percent) below the amount needed to maintain services at the 2004 level.

(A) ***Funding Falls Further Behind Each Year*** — Because domestic non-homeland security

[1]The "Summary of the Chairman's Mark" shows $818.7 billion in discretionary funding and displays the $2.5 billion for BioShield in the mandatory total. The Chairman's budget function tables behind the summary include the $2.5 billion for BioShield as discretionary funding and show a 2005 discretionary total of $821.3 billion, excluding Iraq War costs, as displayed in the table on this page.

funding increases by only 0.5 percent each year, it falls further behind the amount needed to maintain services at the 2004 level. By 2009, the budget cuts $36.9 billion (9.5 percent) from the amount needed to keep pace with inflation.

(1) ***All Domestic Increases Offset by Bigger Cuts Elsewhere*** — The slight increases in 2005 above the amount needed to maintain services in some functions (including veterans, education, and administration of Social Security programs) are more than offset by cuts in other key government services such as child care, Section 8, environmental protection and science. And even these small increases for 2005 are not maintained: in 2008 and 2009, only defense funding maintains the 2004 level of services – ***every other budget function fails to keep pace with inflation***.

(2) ***Many Areas Cut Below Last Year's Level*** — The Chairman's mark cuts seven budget functions to levels below a freeze at the 2004 level. The areas cut include:

- ***environmental protection*** — cut by $1.6 billion in 2005, and by $6.4 billion over five years;
- ***health*** — cut by $358 million in 2005;
- ***community and regional development*** — cut by $782 million in 2005, and by $1.6 billion over five years;
- ***general government*** — cut by $2.0 billion in 2005, and by $9.0 billion over five years; and
- ***agriculture*** — cut by $320 million in 2005, and by $1.1 billion over five years.

(3) ***Low Level of Funding Imperils All Programs*** — Republican promises about their 2005 increases for high-priority budget functions, such as education and veterans, will be virtually impossible to keep. Their unrealistically low non-defense total, along with their cut of nearly $5 billion below the President's request for international affairs, will not allow the Appropriations Committee to maintain funding for their "priority" programs. It seems unlikely that Appropriators can impose such deep cuts in the many budget areas that the Chairman's mark suggests (child care and Section 8 housing, environmental protection, public health, general government) to increase funding for the few areas highlighted in the Chairman's mark. The more likely outcome is slightly smaller budget cuts in all areas, including the programs that the Republicans purport to protect.

Chairman's Mark for Five Years vs. 2004 Current Services:
Discretionary funding vs. CBO's 2005 baseline excluding 2004 supplemental
(Budget Authority in Billions of Dollars)

	2005*	2006	2007	2008	2009	2005-2009
Domestic Non-Homeland Security	-10.5	-15.2	-21.8	-29.0	-36.9	-113.4
International Affairs	-0.2	-0.5	-0.9	-1.3	-1.8	-4.7
National Defense	15.2	28.8	40.5	52.0	63.0	199.5
Homeland Security (domestic)	1.8	2.6	3.5	4.0	4.8	16.7
Total	**6.2**	**15.7**	**21.3**	**25.7**	**29.2**	**98.0**

** Excludes the $50 billion in Iraq War costs in Function 920.*

(4) ***Defense Increase Squeezes All Other Programs*** — The Chairman's mark increases total 2005 funding by $6.2 billion above the amount needed to maintain services at the 2004 level, but increases defense funding by $15.2 billion. Assuming general agreement to increase defense funding by an amount close to the President's request, Congress will have to cut all other funding.

Defense Funding Slightly Below President's Budget — The Chairman's mark, excluding the $50 billion reserve fund, provides essentially the same level for national defense as the President. The $420.6 billion for 2005 is $23.2 billion (5.8 percent) above the 2004 enacted level excluding emergency supplemental funding for the war. Over five years, the budget provides $48 million less than the President, and $330.1 billion above a freeze at the 2004 enacted level. The national defense total includes $10.4 billion in homeland security funding for 2005.

International Funding Slashed Below President's Budget — The Chairman's mark provides $26.9 billion for international affairs in 2005, which is $4.7 billion (14.7 percent) below the President's request and just 0.6 percent above a freeze at the 2004 level.

Homeland Security Funding 0.5 Percent Below President's Budget — The Chairman's mark cuts the President's non-Department of Defense homeland security request by $155 million for 2005 and by $857 million over five years.

Cuts to Mandatory Spending

Reconciliation Instructions Concerning "Waste, Fraud, and Abuse" — The Chairman's mark provides reconciliation instructions to five House authorizing Committees to report legislation by July 15, 2004, producing $13.2 billion in savings over five years to be accomplished by reducing "waste, fraud, and abuse." The Ways and Means Committee can meet its target by any combination of reducing expenditures and increasing revenues; the other four committees must meet their targets by cutting spending. Last year, the Chairman's mark instructed 13 authorizing committees to find $470 billion over ten years in mandatory savings; these reconciliation instructions were later dropped in conference.

Budget Resolution Reconciliation Instructions by House Authorizing Committee
(Outlays in Millions of Dollars)

	2005	2005-2009
Agriculture	-110	-371
Education and Workforce	-5	-43
Energy and Commerce	-410	-2,185
Government Reform	-170	-2,365
Ways and Means (deficit reduction via revenue increases or spending cuts)	(1,126)	(8,269)
Total	**-1,821**	**-13,233**

Reconciliation Instructions Cut Medicaid and State Children's Health Insurance Program by Up to $2.2 Billion — The reconciliation instructions direct the Committee on Energy and Commerce to cut spending by $2.2 billion over five years. While both Medicaid and Medicare are in the Committee's jurisdiction, the majority stated that Medicare cuts were not on the table for discussion. Therefore, Medicaid and the State Children's Health Insurance Program (SCHIP) will have to shoulder the weight of this $2.2 billion in spending cuts, because they constitute the bulk of spending left in the Energy and Commerce Committee's jurisdiction. Furthermore, according to the terms of the "deficit-neutral reserve fund" for the Family Opportunity Act, if this bill extending Medicaid coverage for disabled children is enacted, the Energy and Commerce Committee will need to find approximately an additional $2.0 billion in offsets.

Budget Assumes Cuts to Income Security Programs — The Chairman's mark assumes a net spending reduction of $3.1 billion over five years for income security, which includes programs such as Temporary Assistance for Needy Families, the Earned Income Tax Credit, unemployment insurance, and public employee retirement benefits. However, the budget also assumes a $2.2 billion increase for welfare reauthorization, consistent with the Republican welfare reform bill approved by the House last year. Therefore, in order to pay for welfare reauthorization and remain consistent with the budget resolution, the Congress will have to cut other income security spending by $5.3 billion.

Budget Makes Empty Promises

The budget resolution makes empty promises by creating "deficit-neutral" reserve funds. These reserve funds have the appearance of addressing critical priorities, but fail to provide any new money to meet these needs.

- ***No New Money to Help the Uninsured*** — The budget resolution creates a reserve fund for health insurance for the uninsured, but fails to provide any new money to help the 43 million Americans who are without health insurance.

- ***No Funds for Health Care for Disabled Children*** — The Family Opportunities Act, which would expand eligibility and benefits for disabled children under Medicaid, enjoys widespread bipartisan support in both the House and Senate. However, the budget creates only a deficit-neutral reserve fund, which means that the budget cannot accommodate this legislation unless other spending cuts are made.

- ***Offset Contingency for Transportation*** — The budget resolution stipulates that if the House Transportation and Infrastructure Committee reports a transportation reauthorization bill larger than provided within the resolution, then the excess spending must be offset with increased receipts or spending cuts within the Highway Trust Fund.

- ***Military Survivor Benefits Must Be Offset*** — The Chairman's mark includes a provision for the Military Survivor Benefits program; however, it is in the form of a deficit-neutral reserve fund. In order to fund the Military Survivor Benefits program, other programs would have to be cut, and veterans' groups strongly oppose this budgetary gimmick.

Tax Cuts are The Top Priority

Chairman's Mark Provides Nearly $153 Billion in Tax Cuts — The Chairman's mark provides for a total of $20.7 billion in tax cuts in 2005, and $152.6 billion in tax cuts from 2005 to 2009. Not all of these tax cuts are protected by reconciliation instructions. Tax cuts in the Chairman's mark are $2.2 billion smaller than the President's request for 2005, and $31.6 billion smaller than the President's tax cuts from 2004 through 2009. However, the House provides a bigger tax cut than the Senate budget resolution, with the House cutting taxes by $152.6 billion over five years, as compared to the Senate's tax cuts of $145 billion.

Protected Tax Cuts of Nearly $138 Billion Over Five Years — The Chairman's mark includes reconciliation instructions to the Ways and Means Committee to report legislation by October 1, 2004, that cuts taxes by $13.2 billion in 2005 and $137.6 billion over the five-year period. This amount allows for the extension of: (1) the $1,000 child tax credit; (2) marriage penalty relief; (3) the ten percent individual tax rate bracket; (4) capital gains and dividends tax rate reduction; (5) section 179 small business expensing; and (6) estate tax repeal. Under Senate rules pertaining to reconciliation, these provisions could be extended only through 2009, the end of the period covered by the budget resolution.

Additional $15 Billion in Unreconciled and Unspecified Tax Cuts — The budget also includes $15.0 billion in unreconciled tax cuts; however, it is unclear what tax policies this number assumes. Fifteen billion dollars is not enough to pay for either Alternative Minimum Tax (AMT) relief for individuals or the Research and Experimentation (R&E) Tax Credit. Extending AMT relief for an additional year – Tax Year 2005 – costs $23.2 billion. Making the R&E Tax Credit permanent costs $23.5 billion from 2004 through 2009. Therefore, in order to enact one of these tax cuts, Ways and Means would need to find offsetting spending cuts or tax increases of about $8 billion. In order to finance both these provisions, Ways and Means must find about $32 billion in offsets.

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APPENDIX

H. CON. RES. 393

A Concurrent Resolution Establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009.

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

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are set forth.

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

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

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

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

Fiscal year 2004: $1,272,966,000,000.
Fiscal year 2005: $1,457,215,000,000.
Fiscal year 2006: $1,619,835,000,000.
Fiscal year 2007: $1,721,568,000,000.
Fiscal year 2008: $1,818,559,000,000.
Fiscal year 2009: $1,922,133,000,000.

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

Fiscal year 2004: −$179,000,000.
Fiscal year 2005: $19,919,000,000.
Fiscal year 2006: $34,346,000,000.
Fiscal year 2007: $33,376,000,000.
Fiscal year 2008: $27,231,000,000.
Fiscal year 2009: $30,927,000,000.

(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 2004: $1,952,700,000,000.
Fiscal year 2005: $2,010,338,000,000.
Fiscal year 2006: $2,071,186,000,000.
Fiscal year 2007: $2,193,395,000,000.
Fiscal year 2008: $2,311,770,000,000.
Fiscal year 2009: $2,431,782,000,000.

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

Fiscal year 2004: $1,911,235,000,000.
Fiscal year 2005: $2,007,926,000,000.
Fiscal year 2006: $2,083,910,000,000.
Fiscal year 2007: $2,169,446,000,000.
Fiscal year 2008: $2,277,071,000,000.
Fiscal year 2009: $2,393,946,000,000.

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

Fiscal year 2004: $638,269,000,000.
Fiscal year 2005: $550,711,000,000.
Fiscal year 2006: $464,075,000,000.
Fiscal year 2007: $447,878,000,000.
Fiscal year 2008: $458,512,000,000.
Fiscal year 2009: $471,813,000,000.

(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 2004: $7,436,000,000,000.
Fiscal year 2005: $8,087,000,000,000.
Fiscal year 2006: $8,675,000,000,000.
Fiscal year 2007: $9,244,000,000,000.
Fiscal year 2008: $9,823,000,000,000.
Fiscal year 2009: $10,419,000,000,000.

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

Fiscal year 2004: $4,385,000,000,000.
Fiscal year 2005: $4,775,000,000,000.
Fiscal year 2006: $5,060,000,000,000.
Fiscal year 2007: $5,312,000,000,000.
Fiscal year 2008: $5,560,000,000,000.
Fiscal year 2009: $5,807,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2004:
(A) New budget authority, $461,544,000,000.
(B) Outlays, $451,125,000,000.

Fiscal year 2005:
(A) New budget authority, $419,634,000,000.
(B) Outlays, $447,114,000,000.

Fiscal year 2006:
(A) New budget authority, $442,400,000,000.
(B) Outlays, $439,098,000,000.

Fiscal year 2007:
(A) New budget authority, $464,000,000,000.
(B) Outlays, $445,927,000,000.

Fiscal year 2008:
(A) New budget authority, $486,149,000,000.
(B) Outlays, $465,542,000,000.

Fiscal year 2009:
(A) New budget authority, $508,369,000,000.
(B) Outlays, $487,186,000,000.

(2) Homeland Security (100):

Fiscal year 2004:
(A) New budget authority, $29,559,000,000.
(B) Outlays, $24,834,000,000.

Fiscal year 2005:
(A) New budget authority, $34,102,000,000.
(B) Outlays, $29,997,000,000.

Fiscal year 2006:
(A) New budget authority, $33,548,000,000.
(B) Outlays, $33,298,000,000.

Fiscal year 2007:
(A) New budget authority, $35,160,000,000.
(B) Outlays, $35,635,000,000.

Fiscal year 2008:

(A) New budget authority, $36,520,000,000.
(B) Outlays, $36,979,000,000.
Fiscal year 2009:
(A) New budget authority, $40,420,000,000.
(B) Outlays, $38,401,000,000.
(3) International Affairs (150):
Fiscal year 2004:
(A) New budget authority, $43,604,000,000.
(B) Outlays, $29,281,000,000.
Fiscal year 2005:
(A) New budget authority, $26,529,000,000.
(B) Outlays, $32,848,000,000.
Fiscal year 2006:
(A) New budget authority, $27,776,000,000.
(B) Outlays, $30,017,000,000.
Fiscal year 2007:
(A) New budget authority, $27,927,000,000.
(B) Outlays, $26,714,000,000.
Fiscal year 2008:
(A) New budget authority, $28,077,000,000.
(B) Outlays, $25,323,000,000.
Fiscal year 2009:
(A) New budget authority, $28,228,000,000.
(B) Outlays, $25,099,000,000.
(4) General Science, Space, and Technology (250):
Fiscal year 2004:
(A) New budget authority, $22,822,000,000.
(B) Outlays, $21,897,000,000.
Fiscal year 2005:
(A) New budget authority, $22,813,000,000.
(B) Outlays, $22,453,000,000.
Fiscal year 2006:
(A) New budget authority, $22,927,000,000.
(B) Outlays, $22,683,000,000.
Fiscal year 2007:
(A) New budget authority, $23,042,000,000.
(B) Outlays, $22,743,000,000.
Fiscal year 2008:
(A) New budget authority, $23,157,000,000.
(B) Outlays, $22,763,000,000.
Fiscal year 2009:
(A) New budget authority, $23,274,000,000.
(B) Outlays, $22,863,000,000.
(5) Energy (270):
Fiscal year 2004:
(A) New budget authority, $2,323,000,000.
(B) Outlays, $59,000,000.
Fiscal year 2005:
(A) New budget authority, $2,863,000,000.
(B) Outlays, $1,201,000,000.
Fiscal year 2006:
(A) New budget authority, $2,604,000,000.
(B) Outlays, $1,397,000,000.
Fiscal year 2007:

(A) New budget authority, $2,583,000,000.
(B) Outlays, $1,040,000,000.
Fiscal year 2008:
(A) New budget authority, $2,629,000,000.
(B) Outlays, $662,000,000.
Fiscal year 2009:
(A) New budget authority, $2,285,000,000.
(B) Outlays, $891,000,000.
(6) Natural Resources and Environment (300):
Fiscal year 2004:
(A) New budget authority, $32,021,000,000.
(B) Outlays, $30,210,000,000.
Fiscal year 2005:
(A) New budget authority, $31,212,000,000.
(B) Outlays, $30,868,000,000.
Fiscal year 2006:
(A) New budget authority, $31,568,000,000.
(B) Outlays, $31,911,000,000.
Fiscal year 2007:
(A) New budget authority, $31,897,000,000.
(B) Outlays, $32,153,000,000.
Fiscal year 2008:
(A) New budget authority, $32,101,000,000.
(B) Outlays, $32,128,000,000.
Fiscal year 2009:
(A) New budget authority, $32,777,000,000.
(B) Outlays, $32,804,000,000.
(7) Agriculture (350):
Fiscal year 2004:
(A) New budget authority, $19,908,000,000.
(B) Outlays, $18,434,000,000.
Fiscal year 2005:
(A) New budget authority, $21,087,000,000.
(B) Outlays, $20,501,000,000.
Fiscal year 2006:
(A) New budget authority, $23,374,000,000.
(B) Outlays, $22,310,000,000.
Fiscal year 2007:
(A) New budget authority, $24,278,000,000.
(B) Outlays, $23,199,000,000.
Fiscal year 2008:
(A) New budget authority, $24,042,000,000.
(B) Outlays, $22,957,000,000.
Fiscal year 2009:
(A) New budget authority, $24,903,000,000.
(B) Outlays, $23,956,000,000.
(8) Commerce and Housing Credit (370):
Fiscal year 2004:
(A) New budget authority, $17,077,000,000.
(B) Outlays, $12,748,000,000.
Fiscal year 2005:
(A) New budget authority, $10,792,000,000.
(B) Outlays, $5,782,000,000.
Fiscal year 2006:

(A) New budget authority, $10,242,000,000.
(B) Outlays, $6,842,000,000.
Fiscal year 2007:
(A) New budget authority, $9,727,000,000.
(B) Outlays, $4,769,000,000.
Fiscal year 2008:
(A) New budget authority, $9,705,000,000.
(B) Outlays, $3,190,000,000.
Fiscal year 2009:
(A) New budget authority, $9,580,000,000.
(B) Outlays, $2,740,000,000.

(9) Transportation (400):
Fiscal year 2004:
(A) New budget authority, $62,937,000,000.
(B) Outlays, $59,280,000,000.
Fiscal year 2005:
(A) New budget authority, $65,021,000,000.
(B) Outlays, $61,988,000,000.
Fiscal year 2006:
(A) New budget authority, $66,075,000,000.
(B) Outlays, $64,204,000,000.
Fiscal year 2007:
(A) New budget authority, $68,263,000,000.
(B) Outlays, $66,131,000,000.
Fiscal year 2008:
(A) New budget authority, $69,578,000,000.
(B) Outlays, $67,545,000,000.
Fiscal year 2009:
(A) New budget authority, $70,445,000,000.
(B) Outlays, $68,452,000,000.

(10) Community and Regional Development (450):
Fiscal year 2004:
(A) New budget authority, $13,758,000,000.
(B) Outlays, $15,443,000,000.
Fiscal year 2005:
(A) New budget authority, $11,867,000,000.
(B) Outlays, $14,233,000,000.
Fiscal year 2006:
(A) New budget authority, $11,655,000,000.
(B) Outlays, $12,484,000,000.
Fiscal year 2007:
(A) New budget authority, $11,715,000,000.
(B) Outlays, $11,616,000,000.
Fiscal year 2008:
(A) New budget authority, $11,692,000,000.
(B) Outlays, $11,392,000,000.
Fiscal year 2009:
(A) New budget authority, $11,752,000,000.
(B) Outlays, $11,510,000,000.

(11) Education, Training, Employment, and Social Services (500):
Fiscal year 2004:
(A) New budget authority, $89,463,000,000.
(B) Outlays, $86,405,000,000.

Fiscal year 2005:
(A) New budget authority, $92,523,000,000.
(B) Outlays, $90,492,000,000.
Fiscal year 2006:
(A) New budget authority, $93,596,000,000.
(B) Outlays, $92,878,000,000.
Fiscal year 2007:
(A) New budget authority, $94,243,000,000.
(B) Outlays, $93,365,000,000.
Fiscal year 2008:
(A) New budget authority, $94,738,000,000.
(B) Outlays, $93,975,000,000.
Fiscal year 2009:
(A) New budget authority, $95,366,000,000.
(B) Outlays, $94,685,000,000.
(12) Health (550):
Fiscal year 2004:
(A) New budget authority, $236,822,000,000.
(B) Outlays, $235,551,000,000.
Fiscal year 2005:
(A) New budget authority, $245,095,000,000.
(B) Outlays, $244,936,000,000.
Fiscal year 2006:
(A) New budget authority, $252,639,000,000.
(B) Outlays, $252,495,000,000.
Fiscal year 2007:
(A) New budget authority, $266,117,000,000.
(B) Outlays, $265,196,000,000.
Fiscal year 2008:
(A) New budget authority, $284,970,000,000.
(B) Outlays, $284,222,000,000.
Fiscal year 2009:
(A) New budget authority, $304,034,000,000.
(B) Outlays, $303,460,000,000.
(13) Medicare (570):
Fiscal year 2004:
(A) New budget authority, $269,567,000,000.
(B) Outlays, $268,759,000,000.
Fiscal year 2005:
(A) New budget authority, $288,166,000,000.
(B) Outlays, $289,126,000,000.
Fiscal year 2006:
(A) New budget authority, $322,974,000,000.
(B) Outlays, $322,549,000,000.
Fiscal year 2007:
(A) New budget authority, $362,759,000,000.
(B) Outlays, $363,016,000,000.
Fiscal year 2008:
(A) New budget authority, $387,838,000,000.
(B) Outlays, $387,858,000,000.
Fiscal year 2009:
(A) New budget authority, $414,278,000,000.
(B) Outlays, $413,853,000,000.
(14) Income Security (600):

Fiscal year 2004:
(A) New budget authority, $329,744,000,000.
(B) Outlays, $336,074,000,000.
Fiscal year 2005:
(A) New budget authority, $337,318,000,000.
(B) Outlays, $341,716,000,000.
Fiscal year 2006:
(A) New budget authority, $335,387,000,000.
(B) Outlays, $339,098,000,000.
Fiscal year 2007:
(A) New budget authority, $340,140,000,000.
(B) Outlays, $342,945,000,000.
Fiscal year 2008:
(A) New budget authority, $352,809,000,000.
(B) Outlays, $355,046,000,000.
Fiscal year 2009:
(A) New budget authority, $361,830,000,000.
(B) Outlays, $363,465,000,000.
(15) Social Security (650):
Fiscal year 2004:
(A) New budget authority, $13,396,000,000.
(B) Outlays, $13,396,000,000.
Fiscal year 2005:
(A) New budget authority, $15,094,000,000.
(B) Outlays, $15,094,000,000.
Fiscal year 2006:
(A) New budget authority, $16,589,000,000.
(B) Outlays, $16,589,000,000.
Fiscal year 2007:
(A) New budget authority, $18,049,000,000.
(B) Outlays, $18,049,000,000.
Fiscal year 2008:
(A) New budget authority, $19,988,000,000.
(B) Outlays, $19,988,000,000.
Fiscal year 2009:
(A) New budget authority, $21,989,000,000.
(B) Outlays, $21,989,000,000.
(16) Veterans Benefits and Services (700):
Fiscal year 2004:
(A) New budget authority, $61,179,000,000.
(B) Outlays, $59,858,000,000.
Fiscal year 2005:
(A) New budget authority, $70,536,000,000.
(B) Outlays, $68,563,000,000.
Fiscal year 2006:
(A) New budget authority, $68,501,000,000.
(B) Outlays, $67,597,000,000.
Fiscal year 2007:
(A) New budget authority, $66,621,000,000.
(B) Outlays, $66,007,000,000.
Fiscal year 2008:
(A) New budget authority, $69,842,000,000.
(B) Outlays, $69,459,000,000.
Fiscal year 2009:

(A) New budget authority, $70,506,000,000.
(B) Outlays, $70,106,000,000.
(17) Administration of Justice (750):
Fiscal year 2004:
(A) New budget authority, $29,932,000,000.
(B) Outlays, $30,103,000,000.
Fiscal year 2005:
(A) New budget authority, $30,139,000,000.
(B) Outlays, $30,025,000,000.
Fiscal year 2006:
(A) New budget authority, $27,430,000,000.
(B) Outlays, $28,036,000,000.
Fiscal year 2007:
(A) New budget authority, $27,480,000,000.
(B) Outlays, $27,744,000,000.
Fiscal year 2008:
(A) New budget authority, $27,616,000,000.
(B) Outlays, $27,540,000,000.
Fiscal year 2009:
(A) New budget authority, $27,755,000,000.
(B) Outlays, $27,621,000,000.
(18) General Government (800):
Fiscal year 2004:
(A) New budget authority, $23,806,000,000.
(B) Outlays, $24,540,000,000.
Fiscal year 2005:
(A) New budget authority, $17,198,000,000.
(B) Outlays, $17,916,000,000.
Fiscal year 2006:
(A) New budget authority, $17,419,000,000.
(B) Outlays, $17,392,000,000.
Fiscal year 2007:
(A) New budget authority, $17,573,000,000.
(B) Outlays, $17,401,000,000.
Fiscal year 2008:
(A) New budget authority, $17,230,000,000.
(B) Outlays, $17,075,000,000.
Fiscal year 2009:
(A) New budget authority, $17,383,000,000.
(B) Outlays, $17,044,000,000.
(19) Net Interest (900):
Fiscal year 2004:
(A) New budget authority, $240,471,000,000.
(B) Outlays, $240,471,000,000.
Fiscal year 2005:
(A) New budget authority, $270,698,000,000.
(B) Outlays, $270,698,000,000.
Fiscal year 2006:
(A) New budget authority, $318,909,000,000.
(B) Outlays, $318,909,000,000.
Fiscal year 2007:
(A) New budget authority, $364,463,000,000.
(B) Outlays, $364,463,000,000.
Fiscal year 2008:

(A) New budget authority, $398,574,000,000.
(B) Outlays, $398,574,000,000.
Fiscal year 2009:
(A) New budget authority, $427,464,000,000.
(B) Outlays, $427,464,000,000.
(20) Allowances (920):
Fiscal year 2004:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 2005:
(A) New budget authority, $50,000,000,000.
(B) Outlays, $24,850,000,000.
Fiscal year 2006:
(A) New budget authority, $0.
(B) Outlays, $18,600,000,000.
Fiscal year 2007:
(A) New budget authority, $0.
(B) Outlays, $5,100,000,000.
Fiscal year 2008:
(A) New budget authority, $0.
(B) Outlays, $1,000,000,000.
Fiscal year 2009:
(A) New budget authority, $0.
(B) Outlays, $250,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 2004:
(A) New budget authority, −$47,233,000,000.
(B) Outlays, −$47,233,000,000.
Fiscal year 2005:
(A) New budget authority, −$52,349,000,000.
(B) Outlays, −$52,475,000,000.
Fiscal year 2006:
(A) New budget authority, −$54,427,000,000.
(B) Outlays, −$54,477,000,000.
Fiscal year 2007:
(A) New budget authority, −$62,642,000,000.
(B) Outlays, −$63,767,000,000.
Fiscal year 2008:
(A) New budget authority, −$65,485,000,000.
(B) Outlays, −$66,147,000,000.
Fiscal year 2009:
(A) New budget authority, −$60,856,000,000.
(B) Outlays, −$59,893,000,000.

TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE.—(1) Not later than July 15, 2004, 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 $110,000,000 in outlays for fiscal year 2005 and $371,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE: INSTRUCTION TO PROVIDE FAIRNESS IN FEDERAL WORKERS COMPENSATION.—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 $5,000,000 in outlays for fiscal year 2005 and $43,000,000 in outlays for the period of fiscal years 2005 through 2009.

(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 $410,000,000 in outlays for fiscal year 2005 and $2,185,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON GOVERNMENT REFORM: INSTRUCTION TO INCREASE RESOURCES TO AUTHORIZE INFORMATION SHARING TO ALLOW FEDERAL BENEFIT PROGRAMS LIMITED ACCESS TO FEDERAL AND STATE ADMINISTRATIVE DATA TO VERIFY ELIGIBILITY.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by $170,000,000 in outlays for fiscal year 2005 and $2,365,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) 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 $1,126,000,000 for fiscal year 2005 and $8,269,000,000 for the period of fiscal years 2005 through 2009.

(b) SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than $13,182,000,000 for fiscal year 2005 and by not more than $137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 though 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify $2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

Subtitle B—Contingency Procedure

SEC. 311. 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 2004: $41,569,000,000,
(2) for fiscal year 2005: $42,657,000,000,
(3) for fiscal year 2006: $43,635,000,000,
(4) for fiscal year 2007: $45,709,000,000,
(5) for fiscal year 2008: $46,945,000,000, or
(6) for fiscal year 2009: $47,732,000,000,

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 2004, 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 2004 or 2005, 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 $40,116,000,000 for fiscal year 2004 or $41,204,000,000 for fiscal year 2005 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. 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 2006 or 2007 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 2005 that first becomes available for any fiscal year after 2005.

SEC. 402. EMERGENCY LEGISLATION.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—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 makes supplemental appropriations for fiscal year 2005 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, 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.

(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. 403. 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. 404. 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.

TITLE V—SENSE OF THE HOUSE

SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

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

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

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