



BUDGET BULLETIN



COMMITTEE ON THE BUDGET
Republican Staff

Judd Gregg, Chairman
202/224-0642 <http://budget.senate.gov/republican>

109th Congress, 1st Session: No. 9

October 18, 2005

INFORMED BUDGETEER

CORRECTION TO DRF HISTORICAL TABLE

The previous *Budget Bulletin* included a table that (for some years) incorrectly added the regular and supplemental appropriations columns. The corrected table below reflects the accurate level of total appropriations enacted for each year.

DISASTER RELIEF FUND: PRESIDENT'S REQUEST COMPARED TO ENACTED APPROP., FY1989-2005 (Constant 2005 \$ in billions)				
Fiscal year	Pres. Req.	Enacted Approps.		Total Appropriations
		Regular	Supplemental	
1989	0.3	0.1	1.5	1.7
1990	0.4	0.1	1.5	1.7
1991	0.3	--	--	0.0
1992	0.2	0.2	5.2	5.4
1993	0.4	0.4	2.5	2.8
1994	1.4	0.3	5.7	5.9
1995	0.4	0.4	3.9	4.2
1996	0.4	0.3	3.8	4.0
1997	0.4	1.5	3.7	5.2
1998	3.0	0.4	1.8	2.2
1999	2.8	1.3	1.3	2.6
2000	3.0	3.0	--	3.0
2001	3.1	1.7	2.1	3.8
2002	1.4	0.7	7.3	8.0
2003	1.9	0.8	1.5	2.3
2004	2.0	1.8	2.3	4.1
2005	2.2	2.0	68.5	70.5
Total	23.5	15.1	112.5	127.6

Source: Congressional Research Service, *Federal Stafford Act Disaster Assistance*. <http://www.congress.gov/erp/rl/pdf/RL33053.pdf>
NOTE: Details may not add to totals due to rounding.

CORRECTION AND UPDATE TO FEMA HURRICANE ACTIVITY

The previous *Budget Bulletin* summarized the Stafford Act and incorrectly stated that \$60.5 billion in appropriations had been enacted in P.L. 109-61 and P.L. 109-62 for the Disaster Relief Fund (DRF) of the Federal Emergency Management Agency. The correct figure was \$60 billion (now \$59.250 billion because \$750 million has since been reappropriated for community disaster loans in P.L. 109-88). This week the *Bulletin* will not update the DRF activity table because changes were small (less than \$1 billion); currently, \$39.5 billion remains unallocated.

COMPARING WHAT CONGRESS ACTUALLY DID IN 2005 TO CONGRESS' 2005 BUDGET PLAN

- Section 308(b) of the Budget Act requires CBO to issue monthly reports to the House and Senate Budget Committees detailing congressional action on legislation that affects spending or revenues. Such reports, known as "current level" letters, compare the aggregate budget authority, outlay, and revenue levels set out in the operative budget resolution to an estimate of the revenue and spending effects of all legislation that Congress has enacted.
- Section 308(b) also requires the Budget Committee in each House to make available to its members budget-scorekeeping reports. In the Senate, after receiving the current level letter from CBO, the chairman of the Budget Committee inserts a Budget Scorekeeping Report (aka the current level report), based on the CBO current level letter, into the Congressional Record.
- The current level report is the basis for points of order in the Senate under Section 311 of the Budget Act. Section 311(a)(2) prohibits consideration of legislation that: (1) would result in enacted spending exceeding the aggregate level set for the first fiscal year covered by the Budget Resolution, or (2) would cause a decrease in aggregate revenue levels below the revenue levels set

in the Budget Resolution for the first fiscal year or for the total of fiscal years covered by the resolution. Section 311(a)(3) prohibits consideration of legislation that would worsen the balance in the Social Security trust fund for the first fiscal year or for the total of fiscal years covered by the resolution.

- The 2006 Budget Resolution set budgetary aggregates for spending and revenues for 2005 and 2006 (and for the total 2006-2010 period for revenues). The summary table below shows that 2005 current level was \$3.1 billion above the budget resolution levels (adjusted to remove the budget resolution assumptions for the emergency supplemental) for budget authority and \$0.1 billion above the budget resolution for outlays. Current level for revenues was \$0.4 billion above the budget resolution aggregate.
- What does it mean to be "over" or "under" the budget resolution? Since the current level of budget authority and outlays was over the budget resolution for 2005, it tells us that Congress overspent relative to the resolution.
- By contrast, the fact that the current level of revenues was over the budget resolution has a different meaning: it tells us that Congress either raised more revenues than called for, or did not reduce revenues by as much as allowed, by the budget resolution. The current level of social security outlays and revenues was at the budget resolution level.
- Sharp-eyed budgeteers might notice that the figures in the Budget Resolution column of the current level tables are different from the totals printed in the Budget Resolution Conference Report. The Resolution numbers in the current-level tables have been adjusted to account for the budget resolution assumptions for 2005 emergency supplemental appropriations (see footnote 4 on the detailed table on the back page of this *Bulletin*), since emergency spending is exempt from the enforcement of the budget resolution. The Budget Resolution Conference Report numbers are higher than those in the current level table (Budget Resolution column) because the latter omits the emergency spending assumed in the Budget Resolution.

SENATE CURRENT-LEVEL SUMMARY FOR SPENDING AND REVENUES FOR FISCAL YEAR 2005, AS OF SEPTEMBER 30, 2005 (In billions of dollars)			
	Budget Resolution 1/	Current Level 2/	Current Level Over/Under(-) Resolution
ON-BUDGET			
BA	1,996.6	1,999.7	3.1
Outlays	2,023.9	2024.0	0.1
Revenues	1,483.7	1,484.1	0.4
OFF-BUDGET			
Soc. Sec. Outlays	398.1	398.1	0
Soc. Sec. Rev.	573.5	573.5	0

Source: Congressional Budget Office
1. H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006, assumed the enactment of emergency supplemental appropriations for fiscal year 2005, in the amount of \$81,811 million in budget authority and \$32,121 million in outlays, which would be exempt from the enforcement of the budget resolution. Since current level excludes the emergency appropriations in P.L. 109-13 (see footnote 2 of Table 2), the budget authority and outlay totals specified in the budget resolution have also been reduced (by the amounts assumed for emergency supplemental appropriations) for purposes of comparison.
2. Current level is the estimated effect on revenue and spending of all legislation that the Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates undercurrent law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made.

**SUPPORTING DETAIL FOR THE SENATE CURRENT-LEVEL REPORT
FOR ON-BUDGET SPENDING AND REVENUES FOR FISCAL YEAR 2005,
AS OF SEPTEMBER 30, 2005**
(In millions of dollars)

	Budget Authority	Outlays	Revenues
Enacted in Previous Sessions: 1/			
Revenues	n.a.	n.a.	1,484,024
Permanents and other spending legislation	1,109,476	1,070,500	n.a.
Appropriation legislation	1,298,963	1,369,221	n.a.
Offsetting receipts	<u>-415,912</u>	<u>-415,912</u>	<u>n.a.</u>
Total, enacted in previous sessions:	1,992,527	2,023,809	1,484,024
Enacted This Session:			
Authorizing Legislation:			
Surface Transportation Extension Act of 2005 (P.L. 109-14)	16	0	0
TANF Extension Act of 2005 (P.L. 109-19)	81	45	0
Surface Transportation Extension Act of 2005, Part II (P.L. 109-20)	15	0	0
Surface Transportation Extension Act of 2005, Part III (P.L. 109-35)	3	0	0
Surface Transportation Extension Act of 2005, Part IV (P.L. 109-37)	5	0	0
Surface Transportation Extension Act of 2005, Part V (P.L. 109-40)	2	0	0
Energy Policy Act of 2005 (P.L. 109-58)	0	0	40
Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (P.L. 109-59)	1,562	8	0
TANF Emergency Response and Recovery Act of 2005 (P.L. 109-68)	5,067	0	0
Appropriation Acts:			
Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13) 2/	-1,058	4	41
Interior Appropriations Act, 2006 (P.L. 106-54)	<u>1,500</u>	<u>120</u>	<u>0</u>
Total, enacted this session:	<u>7,193</u>	<u>177</u>	<u>81</u>
Total Current Level 2, 3/	1,999,720	2,023,986	1,484,105
Total Budget Resolution	2,078,456	2,056,006	1,483,658
Adjustment to budget resolution for emergency requirements 4/	-81,881	-32,121	n.a.
Adjusted Budget Resolution	1,996,575	2,023,885	1,483,658
Current Level Over Adjusted Budget Resolution	3,145	101	447
Current Level Under Adjusted Budget Resolution	n.a.	n.a.	n.a.

SOURCE: Congressional Budget Office.

NOTES: n.a. = not applicable; P.L. = Public Law.

- The effects of an act to provide for the proper tax treatment of certain disaster mitigation payments (P.L. 109-7) and the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (P.L. 109-8) are included in this section of the table, consistent with the budget resolution assumptions.
- Pursuant to section 402 of H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006, provisions designated as emergency requirements are exempt from enforcement of the budget resolution. As a result, the current level excludes \$83,140 million in budget authority and \$33,034 million in outlays from the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13), \$10,500 million in budget authority and \$350 million in outlays from the Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (P.L. 109-61), and \$51,800 in budget authority and \$25 million in outlays from the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (P.L. 109-62).
- Excludes administrative expenses of the Social Security Administration, which are off-budget.
- H. Con. Res. 95, the Concurrent Resolution on the Budget for Fiscal Year 2006, assumed the enactment of emergency supplemental appropriations for fiscal year 2005, in the amount of \$81,811 million in budget authority and \$32,121 million in outlays, which would be exempt from the enforcement of the budget resolution. Since current level excludes the emergency appropriations in P.L. 109-13 (see footnote 2), the amounts displayed for the budget resolution have been similarly reduced for purposes of comparison.

COMPARING WHAT ACTUALLY HAPPENED IN 2005 TO 2004

- Last week, the Treasury Department released the final Monthly Treasury Statement (MTS) for fiscal year 2005. Thanks to a \$275 billion increase in receipts, the deficit for fiscal year 2005 was \$319 billion, a \$94 billion decrease from the 2004 deficit.
- On the spending side, outlays this year increased by \$180 billion (8%) over the 2004 level. Hurricane-related spending (Katrina, Rita, and the four 2004 hurricanes) is primarily responsible for a \$9.3 billion increase in community and regional development outlays, while activities in Iraq contributed to increased spending for national defense, international affairs, and veterans programs. Also of note, continued deficit spending and the associated increase in federal borrowing, combined with rising interest rates generated a 15% increase in net interest on the debt.
- Function-by-function outlay changes are shown to the right; the stories behind other changes will require more account-level data than are available at this time.

Comparison of 2004 and 2005 Actuals				
	(\$ in billions)			
	2004	2005	\$ Chg.	% Chg.
Receipts:				
Individual income taxes	809.0	927.2	118.3	15%
Corporation income taxes	189.4	278.3	88.9	47%
Social insurance and retirement receipts	733.4	795.1	61.7	8%
Excise taxes	69.9	73.1	3.2	5%
Estate and gift taxes	24.8	24.8	-0.1	0%
Customs duties	21.1	23.4	2.3	11%
Miscellaneous receipts	<u>32.3</u>	<u>32.4</u>	<u>0.2</u>	<u>1%</u>
Total receipts	1,879.8	2,154.3	274.5	15%
Outlays:				
National defense	455.9	493.9	38.0	8%
International affairs	26.8	34.4	7.6	28%
General science, space, and technology	23.1	24.5	1.5	6%
Energy	-0.2	0.6	0.9	NA
Natural resources and environment	30.7	26.2	-4.5	-15%
Agriculture	15.4	28.4	13.0	84%
Commerce and housing credit	5.2	7.4	2.3	44%
Transportation	64.6	68.1	3.5	5%
Community and regional development	15.8	25.1	9.3	59%
Edu., training, emp. and soc. services	87.9	97.9	9.9	11%
Health	240.0	250.4	10.4	4%
Medicare	269.4	298.6	29.3	11%
Income security	333.1	347.6	14.5	4%
Social security	495.5	523.3	27.8	6%
Veterans benefits and services	59.8	70.2	10.4	17%
Administration of justice	45.5	39.7	-5.8	-13%
General government	22.4	17.7	-4.7	-21%
Net interest	160.2	184.1	23.9	15%
Undistributed offsetting receipts	<u>-58.5</u>	<u>-65.2</u>	<u>-6.7</u>	<u>11%</u>
Total outlays	2,292.6	2,472.9	180.3	8%
Deficit	-412.9	-318.6	94.2	-23%

Source: Department of Treasury September MTS, 2005