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109TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
109–402

CONCURRENT RESOLUTION ON THE BUDGET— FISCAL YEAR 2007

R E P O R T

OF THE

COMMITTEE ON THE BUDGET
HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H. Con. Res. 376

ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2007 AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2008 THROUGH 2011

together with

MINORITY VIEWS

MARCH 31, 2006.—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

26–794 WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

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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 the Budget, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H. Con. Res. 376]

Strength, Spending Control, Reform

The Budget Resolution for Fiscal Year 2007

Introduction

The first 5 years of the 21st century have indeed altered the Nation's perspectives in significant ways—some by choice, some not.

The searing events of 9–11 continue to affect Americans' lives, from the stepped-up security measures visible everywhere, to the unspoken awareness that someone, somewhere, might be plotting another terrorist attack. Vigilance is a constant companion. There are also the challenges of U.S. military operations in Afghanistan and Iraq—an important and necessary part of the response to 9–11.

During the same period, the Nation has overcome an economic downturn; created a new cabinet department for homeland security; reformed education and expanded Medicare; enacted critical transportation and energy legislation; and tackled the worst natural disaster in the Nation's history.

This year, U.S. demographics have reached a turning point as well. The first of the baby boomers are turning 60 this year. Thus, the long-awaited retirement of this large generation—about 78 million of them—no longer lies somewhere in the hazy future; it is right and hand—and so are the massive burdens it will place on the government's entitlement programs.

To put it simply: the principal concerns of this country have changed in the past 5 years—and the changes are real, and permanent.

The fiscal plan reported by the Committee on the Budget acknowledges these changes, and answers them by focusing on three budgetary and governing priorities: strength, spending control, and reform.

Recent Developments

The events of 9–11 shocked an economy already weakened by a slowdown that started a year earlier. It also convinced Congress that answering terrorism took precedence over spending disciplines. This shift in priorities had bipartisan support: Congress would commit whatever was necessary to defeat terrorism.

These conditions drove up government spending and led to growing budget deficits; and the pressure of other priority reforms (education, Medicare, and so on) added to the burden.

But in time, Congress returned to budget discipline, with an emphasis on three premises: keeping the economy growing and cre-

ating jobs; controlling spending; and reducing the deficit. This approach has seen a degree of success.

First, the economy has achieved a healthy pace of growth that is sustainable for the long term.

- After adjusting for inflation, the economy has grown at a robust average of better than 3 percent per year since 2003.
- Nearly 5 million *new* jobs have been created since August 2003.
- February's unemployment rate was 4.8 percent—lower than the average rates of the 1970s, 1980s, and 1990s.

As always, the real credit for this growth goes to the American people—those who work and save and invest to make the economy grow. But Congress supported their efforts—by lowering tax burdens. This had the direct effect of increasing Americans' disposal income, trusting their ability to make the right decisions about how to use those resources—investing them in their families, or homes, or communities, or businesses.

Furthermore, due to this growth, tax revenue flowing into Washington has risen. Last year alone, revenue to the Federal Government increased by nearly 15 percent from initial estimates, even with the acceleration of the tax relief. At the same time, Congress reduced the growth rate of nonsecurity discretionary spending—to a near freeze last year. This followed the previous year's 1.3-percent growth, and was a marked improvement from the previous 5-year average growth of about 6.3 percent. The combination of higher revenue and restrained spending shrank the fiscal year 2005 deficit by about $200 billion, when compared with initial estimates.

When Hurricane Katrina struck, Congress promptly committed $62.3 billion in discretionary emergency supplemental funding to help the storm's victims. (Additional funds were provided subsequently, and more are expected.) But Congress also recognized—in keeping with its long-term plan to control spending—the need to offset at least some of this additional spending. Therefore Congress increased the amount of entitlement savings already proposed in the budget for fiscal year 2006, and applied an additional 1-percent reduction in the year's final appropriations bill. The latter applied across the board—except for the Department of Veterans Affairs and emergency spending—and saved an additional $8.5 billion in budget authority.

Still, as Katrina demonstrated, controlling the budget is not a one-stroke fix. It requires a long-term, step-by-step commitment—one that takes resolve, particularly when extraordinary circumstances make it difficult.

The Fiscal Year 2007 Budget

This budget responds to the Nation's complex challenges with a set of priorities that are simple, straightforward, and proved by experience. In addition, these priorities work together and reinforce one another.

- *Strength.* This means maintaining the Nation's ability to protect itself from aggressors. This is the first obligation of any national government. But the underlying strength of America is its people—their creativity, their resilience, their energy, their produc-

tivity. All these translate into a prosperous economy—one that can reward work and ingenuity, and at the same time offer a compassionate safety net for those who need it. Supporting this prosperity is another critical element of this priority.

- *Spending Control.* Every dollar the government spends—whether financed by taxes or borrowing—is a dollar no longer available to promote the economy's growth. To some extent that is necessary, and over more than two centuries Americans have chosen—through their elected representatives—to commit substantial resources to government activities. But surely these commitments should be no greater than necessary; should cost no more than what is truly needed; and should *never* displace those things the economy can do better and more efficiently. *Reasonable spending control is common sense—and also is another means of promoting growth and strength.*
- *Reform.* Reform is really the link that joins strength and spending control. The typical habit in Washington is to assume that if a program is important, it should get more money—and the thinking stops there. The real truth is, if a program is worthwhile, it should be monitored and nurtured regularly. Congress should constantly strive to make its programs more effective and more efficient. That is reform.

Spending control drives this process of *reform,* and *reform*—when done diligently—*strengthens* the programs that are most important. *In this way, all three of these priorities work together.*

Here in summary is how these priorities translate into the parameters of the budget resolution:

Budget Summary—Fiscal Year 2007

(budget authority unless otherwise indicated)

Total Spending	$2.732 trillion
Total Discretionary Spending	$929.534 billion
National Defense	$510.170 billion[a] (an increase of 6.4 percent from 2006 excluding emergency spending) plus $50 billion for supplemental combat funding
Other Discretionary	$419.634 billion[a] (a net increase of 0.7 percent from 2006, excluding emergency spending)
Mandatory Spending (excluding net interest)	$1,555.440 billion (an increase of 3.7 percent from 2006 excluding emergency spending) (assumes various mandatory spending reforms with a total budget impact of −$6.753 billion in outlays over 5 years)
Revenue	$2.422 trillion (assumes total tax relief of $228 billion over 5 years, consisting of extensions of 2001, 2003, and other expiring tax relief, as well as new House-passed tax initiatives such as pension reform)

[a] These are advisory levels. The Committee on Appropriations will determine the final distribution of discretionary spending.

Strength

THE ECONOMY

Both private and government forecasters estimate that the economy has reached a condition of sustainable, long-term growth, with continuing job creation and relatively low inflation and interest rates. These estimates, however, assume no tax increases—and so does this budget.

Because of arcane congressional bookkeeping procedures, when Congress extends a tax provision that is scheduled to expire, it is counted as a *new* tax cut, and a *reduction* in revenue—even though the provision simply retains existing law. This counterintuitive mechanism affects the majority of revenue assumptions in the budget resolution.

- First, the resolution assumes extension of the 2001 and 2003 tax relief provisions that which would otherwise expire during the budget window. This choice will be reflected as a sizeable reduction in revenue—even though, again, it is simply a matter of continuing tax provisions now in effect.
- The resolution assumes extension of other expiring of tax provisions, including relief from the alternative minimum tax [AMT].

All these provisions are further discussed in the revenue section of this report.

NATIONAL SECURITY

Protecting the Nation from potential aggressors is a pre-eminent responsibility of any national government. This budget meets that challenge. The resolution accommodates the President's request for a 7-percent increase for the Department of Defense (not including war funding). It also includes a contingency fund of $50 billion toward supplemental war funding. In addition, the budget allows for the President's 3.8-percent increase for homeland security funding.

But even as the budget provides for these ample resources, the administration must understand that the Pentagon is not immune from the benefits of reform and oversight. Indeed, no where are these more important than in safeguarding the Nation's security. Congress should strive to assure that every dollar spent on defense and homeland security truly contribute to making Americans safer.

Controlling Spending

DISCRETIONARY SPENDING

The resolution provides a total of $873 billion in fiscal year 2007 for annually appropriated spending categories, excluding emergency spending proposals. These funds will be subdivided by the Appropriations Committee among the various programs under its jurisdiction.

As noted, this level accommodates the President's requested increases for defense and homeland security. Assuming this, other discretionary spending activities would be held flat, as recommended by the President. Within the overall level, some activities might be increased and others reduced.

Because all these decisions lie with the Appropriations Committee, a further explanation of the nature of these programs may be helpful.

Every discretionary spending category has unique characteristics, defying simple comparisons among them. For example, national defense often is viewed as a kind of stand-alone activity by those who, correctly, view it as a pre-eminent obligation of the Federal Government. But several other spending categories are also intrinsically Federal—such as international affairs, or veterans benefits—even though their spending totals are much smaller than defense.

On the other hand, various other priorities have evolved from their own sets of circumstances, so that their importance cannot be measured by Federal dollar amounts alone. It is widely agreed, for instance, that education is one of the Nation's highest priorities. Yet the Federal Government provides only about 7 percent of the K–12 education funding that gets spent nationally—the rest comes from States and localities. Similarly, the Federal Government's share of energy or discretionary health care spending might seem relatively small compared with the importance of these activities nationally; but that is mainly due to the significant nongovernment role in these areas. In none of these cases does the Federal funding level suggest that these activities are less important to the Nation. It is simply a product of how these priorities have developed over time—including how much State and local or nongovernment support they receive.

Some also contend that, with regard to controlling overall Federal spending, discretionary accounts are smaller in total and far less problematic than mandatory entitlement spending (discussed below). This may be true, but it ignores two critical points. First, controlling the budget means controlling *all* spending. Second, *all* government programs—mandatory or discretionary—can benefit from oversight and reform; and as noted above, these are driven by spending control. Discretionary programs are not immune.

General Mandatory Spending

The Federal Government's entitlement programs are well-intended, and provide valued assistance to millions of Americans. But their costs are becoming unmanageable.

Currently, entitlement spending is growing at about 6 percent per year—faster than the economy, faster than inflation, faster than normal long-term revenue growth, and far beyond the government's (or the economy's) means of sustaining it. To put this another way: if the Federal budget were balanced today, the spending growth of these entitlements would drive it back into deficit a year from now; and this is not counting the full baby-boom retirements.

Not surprisingly, entitlement spending also is consuming increasing shares of the overall budget. In 1995, entitlements (excluding interest) consumed 48.7 percent of total Federal spending. By 2005, they had reached 53.4 percent. By 2016—if left unreformed—they will take up more about 64 percent of the budget.

These rates of growth—in programs that tend to run on automatic pilot, without regular oversight or reform—are crowding out funding for other priorities, such as education, veterans' health care, environmental protection, housing, and many others. As a re-

sult, they are crippling Congress's ability to adapt to changing demands and priorities—making it all but impossible to budget in any meaningful way.

Clearly, this spending growth must be controlled. But the process does not, and should not, entail merely "cutting" programs or resources. Rather, it demands *reform.* So Congress last year resumed the practice of reform with the Deficit Reduction Act [DRA] of 2005 (the first time since the Balanced Budget Act of 1997 that entitlements had been addressed comprehensively). The measure included reforms that provided fairer cost-sharing among Medicaid beneficiaries and limited the ability of wealthy persons to qualify for Medicaid nursing home coverage; improved the targeting of assistance under programs such as foster care and Supplemental Security Income; and reduced lender subsidies in the government's student loan programs. Because of these and other reforms, the bill also will save taxpayers almost $40 billion over the next 5 years.

Reform

But—to repeat an earlier point—reform cannot and should not be a merely occasional practice. It must be ongoing. Government programs require consistent and regular nurturing by Congress to assure they are up to date, efficient, and effective. This is why oversight and reform must go hand-in-hand with budgeting.

ENTITLEMENT REFORM

Even small steps in reform can be valuable. So this budget follows on the Deficit Reduction Act with modest goals—reforms that will yield about $6.75 billion in savings over 5 years.

But it is the *quality* of reforms that truly matter; and among the ways to describe those implied by this budget are the following:

- *Eliminating Unnecessary Corporate Subsidies.* Apart from direct subsidies, the government sometimes provides various breaks or loopholes that amount to the same thing. These subsidies violate the very market principles that have made the U.S. economy strong. Many of them can and should be reduced or eliminated.
- *Eliminating Fraud and Overpayments.* As noted earlier, the Federal Government's public assistance programs are well-intended and provide much-needed help to many Americans. But many of them are also subject to fraud, abuse, and overpayments. The persistence of these problems is unfair to those who seek assistance honestly, and an excessive burden to taxpayers as well. These problems can be corrected only through constant oversight and reform.
- *Strengthening the Nation's Pension System.* When people retire, they should feel secure about the pension benefits they have been promised. Companies often do not fully fund their pension plans, intensifying the strain on the already cash-strapped Pension Benefit Guaranty Corporation [PBGC]—the Federal agency charged with insuring those same plans should they be terminated. The government should provide an incentive for these companies to fully fund their pension plans. So this budget incorporates House-passed legislation requiring companies to act more

responsibly, by fully funding their plans. This will help reduce pension-plan under-funding, reinforce workers' pension benefits, and limit the risk to taxpayers of a massive PBGC bailout.

- *Restoring Market Forces.* The U.S. economy is strong because market forces are allowed to work freely. But the government sometimes misses opportunities to apply these forces. It only makes sense to employ market thinking—wherever reasonable and possible—to the activities of the Federal Government.

EMERGENCY SUPPLEMENTAL SPENDING

No one could have anticipated the scale of Hurricane Katrina's devastation, or the massive costs of recovery. But every year brings unforeseen events—whether they are floods, earthquakes, hurricanes, forest fires, or even military operations overseas. The emergency mechanism in the budget process—which exempts this spending from the usual budget disciplines—is designed to accommodate this reality. But even if the specific events are unforeseen, the *fact* that some emergency will arise is almost routine. Indeed, Congress has made use of supplementals as far back as 1790, and has provided emergency supplemental spending of some amount in every year since the emergency concept was formally introduced in 1990.

As is well known, the amount of emergency funding—outside the budget—has increased sharply in recent years, principally due to the war and Katrina. It has mushroomed from $16.9 billion in 2000 (about 2.9 percent of total discretionary spending) to $160.4 billion in 2005 (19.5 percent of appropriated funds). Even if the additional spending is justified, the continued practice of adding on and increasing these amounts outside the regular budget is not.

That is why this budget includes $4.4 billion in budget authority to anticipate potential natural disasters. The $4.4 billion—in an emergency reserve fund for fiscal year 2007—is the median of emergency spending during the past 10 years for accounts typically associated with spending in response to natural disasters. But this is just a start—and more can be done.

This year, the Budget Committee will begin to reform the budget process itself, to better anticipate *actual* spending—including what is currently spent outside the normal budget process. It will establish two reserve funds: one for natural disasters and another for the war on terrorism. The Budget Committee will vote to increase the limits in the budget resolution when any spending measure exceeds the reserve for natural disasters.

Conclusion

As mentioned at the outset, the principal concerns of this country have changed since 2001. Some of the changes were by choice, some not—and some have been expected for decades. As a result, Congress has a choice: Members can delude themselves the customary ways of thinking and approaching these problems—by mechanically spending and taxing more—will still work. Or Congress can pretend the problems will go away.

Or, Members can embrace the new challenges at hand, and start the process of addressing them. This budget answers by trusting

strength, spending control, and a commitment to ongoing reform. That is the plan embraced by this budget.

The Economy and Economic Assumptions

STRONG GROWTH IN JOBS AND THE ECONOMY CONTINUE

- The economy turned in a solid performance in 2005, despite further sharp increases in energy prices and devastation caused by hurricanes.
  - —Growth in the inflation-adjusted (real) gross domestic product [GDP] is estimated to have been 3.5% in 2005, even though growth slowed substantially in the fourth quarter as a result of hurricane-related disruptions and other factors that are likely to prove transitory.
  - —Close to two million new payroll jobs were created last year. The economy has seen 30 consecutive months of job gains, adding close to 5 million new jobs to payrolls.
  - —The housing market continued to be vibrant throughout last year, with some signs of cooling late in the year from the rapid pace of expansion observed over the past few years. Robust gains in real estate values in the past few years, combined with rises in stock prices since 2002, have encouraged consumer spending and helped keep economic activity moving forward in 2005.
  - —Inflation and inflation-expectations remained relatively well-contained, and at historically low rates, throughout 2005 according to the Federal Reserve.
  - —Robust growth in the economy and continued low, but slowly rising, inflation encouraged the Federal Reserve to tighten monetary policy by continuing to lift short-term interest rates throughout the year in 2005.
  - —Despite those rate increases, long-term interest rates remain low by historical standards. Thus, credit conditions remained supportive for businesses last year, facilitating a rapid expansion of business investment spending.
  - —The major factors that contributed to the strong performance of the U.S. economy in 2005 remain in place, including the pro-growth tax policies enacted under the current administration.
- Looking forward, public and private forecasters expect the economy to continue in a sustained expansion, with solid real growth, ongoing payroll jobs gains, and continued low unemployment and inflation.
- In international perspective, the performance of the U.S. economy has been particularly impressive, adding more jobs in the past two-and-a-half years than Japan and the European Union combined. Growth in GDP in the U.S. has outpaced every other major industrial country since 2001.
- Over the past 4 years, we've seen remarkable changes in our Nation's economic picture and no one should underestimate the challenges we've had to overcome. Our Nation and our economy have had to endure the bursting of the stock market bubble; corporate scandals; a recession; the terrorist attacks and their aftermath; the uncertainties of an international war against ter-

rorism, including conflicts in Afghanistan and Iraq; energy price shocks; and devastation from hurricanes.

- The resilience of the U.S. economy in the face of these major shocks are a testament to the fundamental strength and flexibility of the U.S. economy and the efforts and determination of American workers.
- In addition, fiscal and monetary policies combined to play major roles in keeping the adverse effects of the 2000–01 slowdown and recession milder than otherwise would have been the case. Pro-growth tax policies helped boost the economy in its recovery from the recession and continue to sustain the current economic expansion.
- Fiscal policy actions have been particularly aggressive in working to assist those devastated by the hurricanes last year and to provide more general tax relief. Tax relief set in place in 2001 helped boost the economy quickly out of its mild recession; relief in 2003 helped move tax rates toward those more conducive to economic growth. Three major tax relief bills became law over 2001–03:
  —The *Economic Growth and Tax Relief Reconciliation Act of 2001* (June 2001) provided for immediate and phased-in reductions in income taxes and tax rates, as well as other incentives and tax relief measures.
  —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 that included business investment tax incentives from "bonus depreciation" of equipment and software.
  —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.
- Since enactment of the pro-growth tax relief provided by JGTRRA:
  —GDP growth has averaged 3.8 percent.
  —Growth in business fixed investment has averaged 8.5 percent.
  —Growth in business investment in equipment and software has averaged 10.9 percent.
  —The Dow Jones Industrial Average stock index has increased 29 percent and the NASDAQ stock index has increased 48 percent.
  —Monthly payroll job gains have averaged 150,000.
  —Capital gains realizations have roughly doubled and taxes paid on those gains have risen by about 60 percent.
  —The number of Standard and Poor's companies paying dividends increased, reversing a 25 year decline.
- Monetary policy also played an important role in bolstering the economy. From January 2001 through June 2003, the Federal Reserve [Fed] reduced its target for overnight interest rates from 6.5 percent to 1 percent in 13 separate cuts. Lower interest rates helped to boost interest-sensitive spending, including consumer durable goods, business equipment investment, and residential

housing construction. As the economy emerged from the mild recession of 2001 and began to display sustained traction and robust growth, the Federal Reserve acted to remove its low-interest-rate policy that was designed to accommodate strengthening economic growth. Since its policy meeting in June 2004, the Fed has raised its target overnight interest rate from the historic low of 1 percent to the current 4.75 in a sequence of 15 quarter-point increases.

- As a testimony to the durability of the current economic expansion, real GDP growth has averaged 3.3 percent since the Fed began removing its policy accommodation and payroll job gains have totaled close to 3.4 million new jobs.

THE CURRENT ECONOMIC SITUATION

- Incoming data support the view that the U.S. economy is in a sustained economic expansion with continued job gains, robust real growth in output of goods and services, and low unemployment and inflation.

- The list of "Good News" confirming the economy's solid performance is impressive, including:
  —*Gross Domestic Product:* The inflation-adjusted (real) gross domestic product [GDP] grew at over 3.5 percent last year. Real GDP has grown for 17 consecutive quarters, with average annualized growth of 3.1 percent.
  —*Employment:* Payroll employment rose by 243,000 jobs in February and an average of 228,000 over the past four months. There have been 30 consecutive months of payroll job gains, adding close to 5 million new jobs to the Nation's payrolls. 2.3 million new payroll jobs have been added over the past year.
  —*Unemployment Rate:* The unemployment rate inched up to 4.8 percent in February, from a 4½ year low of 4.7 percent in January, remaining well below the average in each of the past three decades. The unemployment rate has fallen from 6.3 percent in June 2003 to the current 4.8 percent, a decline of 1.5 percent in the jobless rate.
  —*Productivity:* Non-farm labor productivity (output per hour of labor) has risen at an average annual rate of 3.3 percent since 2001, faster than any five-year period in the 1970s, 1980s or 1990s. Productivity growth is a key driver of increases in wages and living standards in the long run.
  —*Manufacturing:* The manufacturing sector of the economy has been expanding for 33 consecutive months, according to the Institute for Supply Management [ISM] manufacturing index.
  —*Services:* The services sector of the economy has been expanding for 35 consecutive months, according to the ISM non-manufacturing (services) index. The services sector accounts for a majority of the Nation's output.
  —*Business Investment:* From its trough in the first quarter of 2003, business investment spending has increased by 25 percent, a sign of renewed business confidence. Business investment in equipment and software has risen by 32 percent since the first quarter of 2003.

—*Household Net Worth:* The total net worth of households and non-profit organizations rose 2.7 percent in the third quarter to a record high of $51.1 trillion, surpassing the previous record established in the second quarter. Household net worth has risen for 12 consecutive quarters. Wealth has risen not just because of housing. Deposits—checking accounts, savings accounts and so on—are at a record high and are larger as a share of disposable (after-tax) income than at any time since 1993.

THE ROLE OF BUDGET RESOLUTION POLICIES

- One of the guiding principles of this budget's policies is that our nation's economy must continue to grow and to create jobs to serve as a solid foundation for reducing the budget deficit. Economic growth alone may not be able to eliminate the deficit—but without solid economic growth, efforts to reduce budget deficits will be futile.
- One of the fundamental ways that this budget encourages economic growth is by supporting the policies that have been working to enhance incentives for continued job creation, investment by businesses in plant and equipment, and increased disposable (after-tax) income for consumers. We will continue to maintain the tax relief we passed and keep the tax burden from rising.
- A warning of negative consequences of *not* continuing with pro-growth tax policies can be found in recent projections from the non-partisan Congressional Budget Office [CBO]. CBO forecasts that economic growth will slow in the long run (i.e., beyond 2011) if recently enacted tax relief is allowed to expire, as scheduled under current law. In fact, one important factor that CBO highlighted as contributing to the forecasted slowdown was that the scheduled expiration of various tax provisions in 2011 will "* * * discourage work by increasing marginal tax rates."
- In addition to maintaining a pro-growth stance with tax policy, it is of critical importance to control Federal spending. All spending must be paid for, either through taxes or borrowing—and both are burdens on the economy. And for that simple reason alone, controlling spending is itself a policy for sustaining stronger economic growth.
- Reinforcing this view, former Federal Reserve Chairman Greenspan recently stated that: "Addressing the government's own imbalances will require scrutiny of both spending and taxes. However, tax increases of sufficient dimension to deal with our looming fiscal problems arguably pose significant risks to economic growth and the revenue base. The exact magnitude of such risks is very difficult to estimate, but, in my judgment, they are sufficiently worrisome to warrant aiming, if at all possible, to close the fiscal gap primarily, if not wholly, from the outlay side."
- The underlying policies of the budget resolution—including sustained tax relief, restrained spending growth, declining deficits, and a stable or falling debt-to-GDP ratio—represent a favorable set of policies for the performance of the economy.

THE ECONOMIC OUTLOOK

- An outlook for continued solid growth in the economy over a 2006–11 projection period for the budget resolution is shared in the economic projections from the administration, CBO, and the consensus of private forecasters compiled by Blue Chip Economic Indicators (see Table 1).
  - —The various forecasts project real GDP growth in 2006 in the range of 3.4 percent to 3.6 percent: 3.3 percent for the Blue Chip consensus; 3.4 percent for the administration; and 3.6 percent for CBO.
  - —Relatively strong growth is expected for the entire forecast horizon 2006–11, with the administration and the Blue Chip consensus projecting real GDP growth to average about 3.2 percent per year, and CBO slightly higher at 3.3 percent.
  - —Reflecting continued expansion in jobs that accompanies continued economic growth and some expected slowdown in labor force growth as the baby boom generation retires, the unemployment rate is projected to continue throughout the projection period in the 4.9 to 5.1 percent range—low by historical standards.
  - —Inflation is expected to moderate with projected easing of energy prices after 2006. Consumer price inflation, for example, is expected to ease from close to 3.0 percent during 2006 to between 2.0 and 2.5 percent for the remainder of the projection period.
  - —Short-term interest rates (i.e., 3-month Treasury bill rates) are expected to settle at close to 4.5 percent over the projection period while longer-term rates are expected to edge up, but remain low by historical standards. The 10-year Treasury note yield is projected to rise from around 5.0 percent in 2006 to somewhere between 5.2 percent and 5.4 percent, depending on the forecaster.
- CBO's annual economic assumptions were adopted for use in the budget resolution and are shown in Table 2.

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

[Calendar years]

	2006	2007	2008	2009	2010	2011	Projected annual average 2006–2011
Real GDP (percent change, year over year):							
Administration	3.4	3.3	3.3	3.1	3.1	3.1	3.2
CBO	3.6	3.4	3.4	3.3	3.0	2.8	3.3
Blue Chip, March*	3.4	3.0	3.2	3.1	3.3	3.2	3.2
GDP Price Index (percent change, year over year):							
Administration	2.4	2.2	2.1	2.1	2.1	2.1	2.1
CBO	2.4	1.8	1.8	1.8	1.8	1.8	1.9
Blue Chip, March*	2.6	2.2	2.3	2.2	2.3	2.2	2.3
Consumer Price Index (percent change, year over year):							
Administration	3.0	2.4	2.4	2.4	2.4	2.5	2.5
CBO	2.8	2.2	2.2	2.2	2.2	2.2	2.3
Blue Chip, March*	2.9	2.4	2.4	2.5	2.4	2.5	2.4
Unemployment Rate (percent, annual average):							
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0
CBO	5.0	5.0	5.1	5.2	5.2	5.2	5.1
Blue Chip, March*	4.8	4.9	4.9	4.9	5.0	4.9	4.9

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

[Calendar years]

	2006	2007	2008	2009	2010	2011	Projected annual average 2006–2011
3-Month Treasury Bill Rate (percent, annual average):							
Administration	4.2	4.2	4.3	4.3	4.3	4.3	4.3
CBO	4.5	4.5	4.4	4.4	4.4	4.4	4.4
Blue Chip, March*	4.7	4.7	4.4	4.3	4.4	4.4	4.5
10-Year Treasury Note Yield (percent, annual average):							
Administration	5.0	5.3	5.5	5.6	5.6	5.6	5.4
CBO	5.1	5.2	5.2	5.2	5.2	5.2	5.2
Blue Chip, March*	4.8	5.0	5.3	5.3	5.4	5.4	5.2

*Blue Chip March 2006 for 2006–2007; longer term projections from Blue Chip October 2005.

TABLE 2.—ECONOMIC ASSUMPTIONS OF THE BUDGET RESOLUTION

[Calendar years, 2006–2011]

	2006	2007	2008	2009	2010	2011
Real GDP (percent change, year over year)	3.6	3.4	3.4	3.3	3.0	2.8
GDP Price Index (percent change, year over year)	2.4	1.8	1.8	1.8	1.8	1.8
Consumer Price Index (percent change, year over year)	2.8	2.2	2.2	2.2	2.2	2.2
Unemployment Rate (percent, annual average)	5.0	5.0	5.1	5.2	5.2	5.2
3-month Treasury Bill Rate (percent, annual average)	4.5	4.5	4.4	4.4	4.4	4.4
10-year Treasury Note Yield (percent, annual average)	5.1	5.2	5.2	5.2	5.2	5.2
Note: Nominal GDP ($ Billions, annual average)	13,262	13,959	14,696	15,455	16,208	16,954

Revenue

SUMMARY

The revenue levels reflect all of the Federal Government's various tax receipts that are "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 budget's revenue baseline.

REVENUE OVER TIME

Total Federal tax revenues have averaged about 18 percent of gross domestic product [GDP] over the past 50 years. Even though this budget intends to prevent statutory tax increases, total Federal taxes are projected to rise from 17.5 percent of GDP in fiscal year 2006 to 17.9 percent of GDP in 2011—a return to the historical average level. This increase in taxes as a share of GDP occurs because of the improving economy and because of provisions in the tax code that are not indexed for inflation nor for real, inflation-adjusted, income growth. This phenomenon highlights the need to adjust tax policies periodically to avoid an ever-increasing tax burden on our economy.

On-budget revenue saw a 1-year rise of 17.2 percent from 2004 to 2005, to $1.576 trillion. This included a 14.6-percent increase in individual income tax receipts and a 47-percent increase in corporate income tax receipts. In addition, despite a 2003 reduction in the top capital gains tax rate to 15 percent from 20 percent, capital gains receipts increased 20 percent in 2003, 48 percent in 2004, and 13 percent in 2005.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The budget resolution calls for $1,780.666 trillion in on-budget revenue for fiscal year 2007, and $10,039.909 trillion over the period of fiscal years 2007 through 2011. Total revenue in the budget resolution is $2,422.395 trillion for fiscal year 2007 and $13,597.594 trillion over fiscal years 2007 through 2011. The resolution assumes policies with a net revenue-reducing impact of $39.021 billion for fiscal year 2007 and $227.821 billion over the period of fiscal years 2007 through 2011. These effects are prin-

cipally the result of preventing automatic tax increases that otherwise would occur.

Although the budget resolution does not require specific changes in tax policy, the revenue levels of the resolution are consistent with general policies of not increasing taxes compared to policies currently in place, and of accommodating House-passed tax legislation. 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 resulting from the individual alternative minimum tax [AMT].* The resolution provides for an extension of increased individual AMT exemption amounts. It anticipates that Congress will act to prevent a reduction in the exemptions, to $45,000 for joint filers and $33,750 for single filers.

—*No tax increase resulting from the loss of the State sales tax deduction.* The resolution provides for an extension of the option to deduct State sales taxes, rather than State income taxes. This policy is especially important in States that have no income tax, such as Florida and Texas.

—*No tax increase on families with college students.* The resolution could accommodate an extension of the deduction for higher education expenses, which provides relief to parents paying for their child's college education.

The budget resolution assumes extension of the 2001 and 2003 tax relief legislation, as well as extension of other expiring tax provisions. It also could accommodate pension reform legislation already passed by the House and currently in conference committee.

It is important to remember, however, that while the budget resolution could accommodate all of the above policies, it merely sets the aggregate on-budget revenue level of the Federal government for the next 5 years. It is the responsibility of the Committee on Ways and Means to make the specific changes to the tax laws to achieve these levels.

Function-by-Function Presentation

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
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

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

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 10.9 percent, to $560.5 billion. During the same time period, outlays rose to $525.5 billion, an 11.5-percent average annual growth rate. The largest component of this was the budget of the Department of Defense, whose budget authority grew from $318.8 billion in 2001 to $537.4 billion in 2006. The average annual growth rate for the 5 years ending in 2006 is 11 percent.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $512.9 billion in budget authority and $534.9 billion in outlays in fiscal year 2007. Discretionary spending is $510.2 billion in budget authority and $532.2 billion in outlays in fiscal year 2007. Mandatory spending in 2007 is $2.7 billion in budget authority and $2.7 billion in outlays. The 5-year totals for budget authority and outlays are $13.1 billion and $13.1 billion, respectively. The resolution levels include the effects of the enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for National Defense (Function 050) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. These levels were adjusted to accommodate legislation that will amend the death gratuity provision in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163). The provision ensures that 300 surviving families of members who died while on active duty after 7 October 2001 receive a retroactive payment of $150,000 due to an increase in Servicemembers' Group Life Insurance that took effect on 1 September 2005. The spending levels also reflect $175 million over 5 years in reconciled mandatory savings (see reconciliation discussion in this report). The Committee on Armed Services will determine the policies that will achieve the required savings.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

The resolution includes a designation for contingency operations of $50 billion for additional needs in Afghanistan, Iraq, and the global war on terrorism. This is a mid-range estimate for anticipated annual costs. It is not an attempt to predetermine the scope or intensity of operations, troops levels, or which weapons and supplies DOD will need, but rather an effort to make the budget reflect a likely future outlay.

FUNCTION 150: INTERNATIONAL AFFAIRS

FUNCTION SUMMARY

This category 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 Agriculture, State and Treasury, the United States Agency for International Development, and the Millennium Challenge Corporation.

For the 5-year period ending in 2006, International Affairs budget authority rose at an annual average rate of 4.8 percent, from $25.1 billion to $31.8 billion. During the same period, outlays rose from $22.4 billion to $34.2 billion, an 8.8-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $31.2 billion in budget authority and $34.3 billion in outlays in fiscal year 2007. The function totals are $167.8 billion in budget authority and $166.8 billion in outlays over 5 years. Mandatory spending is −$1.8 billion in budget authority and −$2.8 billion in outlays in fiscal year 2007, and totals −$4.5 billion in budget authority and −$13.1 billion in outlays over 5 years. Discretionary spending is $33.0 billion in budget authority and $37.1 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

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

MANDATORY SPENDING

The spending levels for International Affairs (Function 150) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies, adjusted for reconciliation directives and non-reconciled mandatory policies. These levels were further adjusted to accommodate legislation to reauthorize foreign affairs programs, the appropriations for which are also reflected in the Committee's 302(a) allocations. It also reflects $250 million over 5 years in reconciled mandatory savings (see the reconciliation discussion in this report). The committee of jurisdiction over the reconciled savings will determine the policies to achieve the required savings.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congres-

sional Budget Office, with various adjustments. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 250: GENERAL SCIENCE, SPACE AND TECHNOLOGY

FUNCTION SUMMARY

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

For the 5-year period ending in 2006, budget authority in this function rose an average of 3.5 percent per year, to $25.0 billion. During the same period, outlays rose from $18.6 billion to $24.1 billion, a 4-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $25.9 billion in budget authority and $25.1 billion in outlays in fiscal year 2007. The function totals are $141.4 billion in budget authority and $136.1 billion in outlays over 5 years. Mandatory spending is $114 million in budget authority and $73 million in outlays in fiscal year 2007, and totals $593 million in budget authority and $502 million in outlays over 5 years. Discretionary spending is $25.8 billion in budget authority and $25.0 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The mandatory spending level for General Science, Space, and Technology (Function 250) is based on the Congressional Budget Office's revised baseline spending projections under current laws and policies.

DISCRETIONARY SPENDING

The discretionary spending level for General Science, Space, and Technology (Function 250) is based on the Presidents' budget as reestimated by the Congressional Budget Office, with various adjustments. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

In a budget with an overall discretionary increase of 3.6 percent, the committee assumes robust funding for the American Competitiveness Initiative, portions of which are absorbed in such functional categories in this resolution as Functions 370 (Commerce) and 920 (Allowances).

FUNCTION 270: ENERGY

FUNCTION SUMMARY

This category includes civilian energy and environmental programs of the Department of Energy [DOE]. Function 270 also includes the Rural Utilities Service of the Department of Agriculture, the Tennessee Valley Authority [TVA], the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission. (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.)

Budget authority in this function was $1.8 billion in 2006 with outlays of $2.0 billion. Receipts, repayments, and electricity sales (negative spending) result in sharp year-by-year fluctuations in this function's budget authority and outlays.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $2.3 billion in budget authority and $915 million in outlays in fiscal year 2007. The function totals are $11.6 billion in budget authority and $4.1 billion in outlays over 5 years. Mandatory spending is −$1.6 billion in budget authority and −$3.0 billion in outlays in fiscal year 2007. Discretionary spending is $3.8 billion in budget authority and $3.9 billion in outlays in fiscal year 2007.

MANDATORY SPENDING

The mandatory levels for Energy (Function 270) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

FUNCTION SUMMARY

The Natural Resources and Environment category consists of water resources, conservation, land management, pollution control and abatement, and recreational resources. Major departments and agencies in this function are the Department of Interior, including the National Park Service [NPS], the Bureau of Land Management [BLM], the Bureau of Reclamation, and the Fish and Wildlife Service [FWS]; conservation-oriented and land management agencies within the Department of Agriculture [USDA], including the Forest Service; the National Oceanic and Atmospheric Administration [NOAA] in the Department of Commerce; the Army Corps of Engineers; and the Environmental Protection Agency [EPA].

Budget authority in this function for the 5-year period ending in 2006 rose an average of 3.9 percent per year, to $35.2 billion. During the same period, outlays increased at a 4.9-percent rate, to $32.6 billion.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $29.7 billion in budget authority and $33.0 billion in outlays in fiscal year 2007. The function totals are $145.0 billion in budget authority and $153.1 billion in outlays over 5 years. Mandatory spending is $1.5 billion in budget authority and $0.4 billion in outlays in fiscal year 2007. Over the 2007–11 period, mandatory spending totals $6.2 billion in budget authority and $4.7 billion in outlays. Discretionary spending is $28.2 billion in budget authority and $32.6 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The mandatory spending levels for Natural Resources and Environment (Function 300) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. The levels were adjusted upwards by $6 million over 5 years to accommodate mandatory spending in the Threatened and Endangered Species Recovery Act, and further increased, by $22 million, to accommodate mandatory spending associated with reauthorization of the Water Resources Development Act, which are also reflected in the Committee's 302(a) allocations (see 302(a) allocations). The mandatory spending level does not include any savings from policies associated with the Arctic National Wildlife Refuge, nor is there a reconciliation directive for the Committee on Resources.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congres-

sional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 350: AGRICULTURE

FUNCTION SUMMARY

The agriculture category 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.

Budget authority and outlays in this function have declined by less than 1 percent per year over the past 5 years, to $28.3 billion. During the same time period, outlays increased by less than 1 percent to $26.5 billion. Spending for fiscal year 2006 was near the average over the preceding 5 years, but spending across the period has been highly variable because agricultural commodity prices fluctuated widely. 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 $27.4 billion in budget authority and $26.8 billion in outlays in fiscal year 2007. The function totals are $123.5 billion in budget authority and $120.0 billion in outlays over 5 years. Mandatory spending is $21.7 billion in budget authority and $20.8 billion in outlays in fiscal year 2007. Over the five year period, mandatory spending totals $95.5 billion in budget authority and $91.8 billion in outlays. Discretionary spending is $5.7 billion in budget authority and $5.9 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for Agriculture (Function 350) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. These levels were adjusted to reflect $51 million over 5 years in reconciled mandatory savings (see reconciliation). The Agriculture Committee will determine the policies to achieve the required savings.

DISCRETIONARY SPENDING

The discretionary level for Agriculture (Function 350) for fiscal year 2007 is based on the President's level as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

FUNCTION SUMMARY

This category has 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, and the like); and other advancement of commerce (most 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 Department of Commerce is provided for in this function including the International Trade Administration, Bureau of Economic Analysis, Patent and Trademark Office, 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, the Commodity Futures Trading Commission, the Federal Trade Commission, the Federal Communications Commission, and the majority of the Small Business Administration.

More than two-thirds of the spending in Function 370 is from the Federal Communication Commission'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, e-rate for schools and libraries and high-cost areas, as well as new services.

For the 5-year period ending in 2006, on-budget budget authority in this function increased an average of 11.9 percent per year, to $14.5 billion in 2006. In the same period, outlays rose 14.2 percent per year, to $7.9 billion. Off-budget budget authority in this function decreased an average of 183 percent per year, dropping to −$1.4 billion in 2006. In the same period, outlays declined 190 percent per year, to −$1.4 billion.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget amounts, the resolution calls for $16.0 billion in budget authority and $7.5 billion in outlays in fiscal year 2007, of which $16.5 billion in budget authority and $8.0 billion in outlays are on budget, and −$500 million in budget authority and −$500 million in outlays are off budget. The function totals are $60.0 billion in budget authority and $26.4 billion in outlays over 5 years, of which $71.9 billion in budget authority and $38.3 billion in outlays are on budget, and −$11.9 billion in budget authority and −$11.9 billion in outlays are off budget. Mandatory spending is $12.9 billion in budget authority and $4.0 billion in outlays in fiscal year 2007, of which $13.4 billion in budget authority and 4.5 billion

in outlays is on budget, and −$500 million in budget authority and −$500 million in outlays are off budget. Mandatory spending over 5 years totals $42.1 billion in budget authority and $7.9 billion in outlays, of which $54.0 billion in budget authority and 19.8 billion in outlays are on budget, and −$11.9 billion in budget authority and −$11.9 billion in outlays are off budget Discretionary spending is $3.1 billion in budget authority and $3.5 billion in outlays in fiscal year 2007, all of which is on budget. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for Commerce and Housing Credit (Function 370) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. These levels were adjusted to accommodate enactment of H.R. 3505, the Financial Services Regulatory Relief Act.

The budget resolution also includes a reserve fund for enactment of H.R. 1461, the Federal Housing Finance Reform Act.

DISCRETIONARY SPENDING

The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 400: TRANSPORTATION

FUNCTION SUMMARY

This category includes ground, air, water and other transportation funding. The major agencies and programs here include the Department of Transportation (including the Federal Aviation Administration; the Federal Highway Administration; the Federal Transit Administration; highway, motor carrier, rail and pipeline safety programs; and the Maritime Administration); the Department of Homeland Security (including the Federal Air Marshals, the Transportation Security Administration, and the U.S. Coast Guard); the aeronautical activities of the National Aeronautics and Space Administration [NASA]; and the National Railroad Passenger Corporation [Amtrak].

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 2.1 percent, from $67.4 billion to $74.9 billion. During the same time period, outlays rose from $54.4 billion to $70.9 billion, a 5.4-percent average annual growth rate. The largest component of the totals is the budget of the Department of Transportation, whose budget authority grew from $61.6 billion in 2001 to $64.6 billion in 2006, a 1.0-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $78.3 billion in budget authority and $75.8 billion in outlays in fiscal year 2007. The function totals are $378.8 billion in budget authority and $388.3 billion in outlays over 5 years. Mandatory spending is $55.3 billion in budget authority and $2.0 billion in outlays in fiscal year 2007, and totals $258.9 billion in budget authority and $11.2 billion in outlays over 5 years. Discretionary spending is $22.9 billion in budget authority and $73.8 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

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

MANDATORY SPENDING

The spending levels for Transportation (Function 400) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. The levels also reflect $50 million over 5 years in reconciled mandatory savings (see the reconciliation discussion in this report). The Committee on Transportation and Infrastructure will determine the policies that will achieve the required savings.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The resolution does not specifically assume the President's proposed passenger rail funding levels or the President's proposed increases to aviation security fees. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

FUNCTION SUMMARY

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

Homeland Security spending in this function includes the State and local government grant programs of the Department of Homeland Security.

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 21.4 percent to $38.3 billion. Outlays rose at a rate of 38.5 percent per year, to $59.9 billion. A factor in this growth was Federal Emergency Management Agency [FEMA] funding for disaster relief in the aftermath of Hurricanes Katrina and Rita.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $15.9 billion in budget authority and $31.3 billion in outlays in fiscal year 2007. The function totals are $68.0 billion in budget authority and $109.9 billion in outlays over 5 years. Mandatory spending is $2.9 billion in budget authority and $2.7 billion in outlays in fiscal year 2007, and totals $2.3 billion in budget authority and $1.1 billion in outlays over 5 years. Discretionary spending is $13.0 billion in budget authority and $28.7 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for Community and Regional Development (Function 450) are based on Congressional Budget Office's revised baseline spending projections under current law and policies. These levels were adjusted to accommodate $400 million over 5 years in reconciled mandatory savings (see reconciliation). The Committee on Financial Services will determine the policies that will achieve the required savings. The levels for fiscal year 2006 have been adjusted to reflect enactment of increased borrowing authority for the National Flood Insurance Program (Public Law 109–208).

The budget resolution also includes a reserve fund for increased borrowing authority for the National Flood Insurance Program to pay outstanding claims resulting from Hurricanes Katrina and Rita, in conjunction with enactment of various reforms to the program.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: the starting level was increased $1.3 billion, which could accommodate additional funding for Community Development Block Grants. The resolution does not assume the President's Strengthening America's Communities Initiative [SACI]. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

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

FUNCTION SUMMARY

This category 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.

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 12.1 percent, from $63.6 billion to $112.6 billion. During the same time period, outlays rose from $57.1 billion to $106.4 billion, at a 13.3-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $84.8 billion in budget authority and $87.5 billion in outlays in fiscal year 2007. The function totals are $419.7 billion in budget authority and $421.3 billion in outlays over 5 years. Mandatory spending is $10.2 billion in budget authority and $9.4 billion in outlays in fiscal year 2007, and totals $53.3 billion in budget authority and $47.9 billion in outlays over 5 years. Discretionary spending is $74.7 billion in budget authority and $78.1 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for Education, Training, Employment, and Social Services (Function 500) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies.

Although the committee strongly supports the Federal student loan programs, members remain concerned that the baselines for student loans may not provide a sufficiently accurate indication of true economic costs. This concern was validated by the publication of reports last year by two different congressional support agencies. Both of the reports—one published by the Congressional Budget Office and the other by the Government Accountability Office—found the subsidy cost estimates calculated under the Credit Reform Act do not fully capture all governmental costs associated with the Direct Loan program.

The Budget Committee is committed to working with both the Committee on Education and the Workforce and the Congressional Budget Office to identify additional cost factors that could be incorporated into future baselines and subsidy estimates. Through the

use of studies and other analyses, the committee looks forward to identifying and evaluating other quantifiable factors that might significantly contribute to the certainty and accuracy of student loan estimates.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The resolution does not specifically assume the President's proposed funding levels for the Individuals with Disabilities Education Act [IDEA] program. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 550: HEALTH

FUNCTION SUMMARY

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

Homeland security spending in this function includes funding for Project Bioshield; the NIH, including the National Institute of Allergy and Infectious Diseases; the Food Safety and Inspection Service; and the Food and Drug Administration.

For the 5 years ending in 2006, budget authority in this function rose an average annual rate of 8.0 percent per year, to $267.4 billion. During the same period, outlays rose from $172.3 billion to $264.4 billion, a 9.0-percent average annual growth rate. The largest component of this growth was Medicaid, whose Federal payments grew an average of 8.4 percent per year, to $189.8 billion.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $275.8 billion in budget authority and $274.3 billion in outlays in fiscal year 2007. The function totals are $1,551.3 billion in budget authority and $1,547.6 billion in outlays over 5 years. Mandatory spending is $222.8 billion in budget authority and $221.2 billion in outlays in fiscal year 2007, and totals $1,297.2 billion in budget authority and $1,290.8 billion in outlays over 5 years. Discretionary spending is $53.0 billion in budget authority and $53.1 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals.

MANDATORY SPENDING

The spending levels for Health (Function 550) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. The committee with jurisdiction over programs in this function is the Committee on Energy and Commerce. The resolution does not assume any reductions in Medicaid.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs. The budget resolution also includes a special exemption from Congressional budget controls, capped at $2.3 billion in fiscal

year 2007, for emergency spending measures to combat avian influenza.

FUNCTION 570: MEDICARE

FUNCTION SUMMARY

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

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 9.2 percent, to $336.9 billion. During the same time period, outlays rose from $217.4 billion to $331.5 billion, a 8.8-percent average annual growth rate. This function consists entirely of the Medicare program.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $382.8 billion in budget authority and $388.3 billion in outlays in fiscal year 2007. The function totals are $2,235.7 billion in budget authority and $2,241.3 billion in outlays over 5 years. Mandatory spending is $377.8 billion in budget authority and $383.4 billion in outlays in fiscal year 2007, and totals $2,211.4 billion in budget authority and $2,217.0 billion in outlays over 5 years. Discretionary spending is $5.0 billion in budget authority and $4.9 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals.

MANDATORY SPENDING

The spending levels for Medicare (Function 570) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. The resolution does not assume any reductions in Medicare. Committees with jurisdiction over programs in this function are the Committees on Energy and Commerce and Ways and Means.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 600: INCOME SECURITY

FUNCTION SUMMARY

This category 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).

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 4.8 percent, to $346.4 billion. Outlays rose an average of 5.8 percent per year in the same period, to $356.9 billion in 2006.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $356.8 billion in budget authority and $362.1 billion in outlays in fiscal year 2007. The function totals are $1,908.0 billion in budget authority and $1,920.8 billion in outlays over 5 years. Mandatory spending is $309.1 billion in budget authority and $307.2 billion in outlays in fiscal year 2007, and totals $1,669.5 billion in budget authority and $1,657.3 billion in outlays over 5 years. Discretionary spending is $47.7 billion in budget authority and $54.9 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals.

MANDATORY SPENDING

The spending levels for Income Security (Function 600) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies. The levels for fiscal year 2006 are modified to reflect the enactment of Public Law 109–176, emergency unemployment compensation related to Hurricane Katrina. The fiscal year 2007 levels are adjusted to accommodate legislation to strengthen the Nation's private pension system through the Pension Benefit Guaranty Corporation. The levels also reflect $2.1 billion over 5 years in reconciled mandatory savings (see the reconciliation discussion in this report). Committees with jurisdiction will determine the policies that will achieve the required savings.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office, adjusted to reflect enactment of Public Law 109–204, which shifts funding provided in the Deficit Reduction Act of 2005 for the Low Income Home Energy Assistance Program [LIHEAP] from fiscal year 2007. In addition, the starting level in this function was reduced by $100 million to accommodate increased funding for community and regional development programs in Community and Regional Development (Function 450). The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 650: SOCIAL SECURITY

FUNCTION SUMMARY

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

For the 5 years ending in 2006, on-budget budget authority rose from $14 billion in 2002 to $14.8 billion in 2006; the average annual growth for the 5-year period 2002–06 is 4.8 percent. During the same period, outlays rose from $14 billion to $14.8 billion, a 4.8-percent average annual growth rate.

For off-budget spending during the 5 years ending in 2006, budget authority rose from $448 billion in 2002 to $542.1 billion in 2006; the average annual growth for the 5-year period ending in 2006 is 4.8 percent. During the same period, outlays rose from $442 billion to $539.8 billion, a 5.1-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

For on-budget spending, the resolution calls for $16.9 billion in budget authority and $16.9 billion in outlays in fiscal year 2007. The function totals are $105.8 billion in budget authority and $105.8 billion in outlays over 5 years. Mandatory spending is $16.9 billion in budget authority and $16.9 billion in outlays in fiscal year 2007, and totals $105.8 billion in budget authority and $105.8 billion in outlays over 5 years. There is no on-budget discretionary spending in this function.

For off-budget spending, the resolution calls for $568.6 billion in budget authority and $566.4 billion in outlays in fiscal year 2007. The function totals are $3,139.9 billion in budget authority and $3,125.8 billion in outlays over 5 years. Mandatory spending is $563.8 billion in budget authority and $561.6 billion in outlays in fiscal year 2007, and totals $3,116.6 billion in budget authority and $3,102.5 billion in outlays over 5 years. Discretionary spending is $4.8 billion in budget authority and $4.8 billion in outlays in fiscal year 2007, and totals $23.3 billion in budget authority and $23.3 billion in outlays over 5 years.

MANDATORY SPENDING

The mandatory level for Social Security (Function 650) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

FUNCTION SUMMARY

This category 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 approximately 24 million veterans.

For the 5 years ending in 2006, budget authority in this function increased at an average annual rate of 8.6 percent to $72 billion. Outlays in the same period rose 9.3 percent per year, to $70.1 billion in 2006.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $74.6 billion in budget authority and $73.9 billion in outlays in fiscal year 2007. The function totals are $390 billion in budget authority and $389.6 billion in outlays over 5 years. Mandatory spending is $37.8 billion in budget authority and $37.7 billion in outlays in fiscal year 2007, and totals $214.4 billion in budget authority and $214.2 billion in outlays over 5 years. Discretionary spending is $36.9 billion in budget authority and $36.3 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006. The resolution assumes no reduction to VA medical care.

MANDATORY SPENDING

The spending levels for Veterans Benefits and Services (Function 700) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies.

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office, with the following adjustment: during markup, the Committee on the Budget adopted an amendment by Mr. Bradley increasing budget authority over the President's level by $795 million for fiscal year 2007 and $3.975 billion over 2007–11; and decreasing International Affairs (Function 150) by a like amount. The level does not assume the President's proposal to implement enrollment fees and increase drug co-pays for Priority 7 and 8 veterans. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 750: ADMINISTRATION OF JUSTICE

FUNCTION SUMMARY

This category supports the majority of Federal justice and law enforcement programs and activities. This includes funding for the Department of Justice; the financial law enforcement activities of the Department of the Treasury; Federal courts and prisons; and criminal justice assistance to State and local governments. Homeland security spending in this function includes funding for the law enforcement and border protection activities of the Department of Homeland Security, and the counterterrorism activities of the Departments of Justice and Treasury.

For the 5 years ending in 2006, budget authority in this function rose an average of 5 percent per year, to $40.7 billion. Outlays rose to $40.8 billion in the same period, an average of 6.2 percent per year.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $42.8 billion in budget authority and $43.6 billion in outlays in fiscal year 2007. The function totals are $217.8 billion in budget authority and $219.3 billion in outlays over 5 years. Mandatory spending is $2.1 billion in budget authority and $1.3 billion in outlays in fiscal year 2007, and totals $4.1 billion in budget authority and $3.9 billion in outlays over 5 years. Discretionary spending is $40.7 billion in budget authority and $42.4 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted the enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The mandatory levels for Administration of Justice (Function 750) are based on the Congressional Budget Office's baseline spending projections under current law and policies. These levels were adjusted to accommodate legislation that reorganizes the Ninth Circuit and creates additional judgeships, and a cost of living adjustment for Federal judges, which are also reflected in the Judiciary Committee's 302(a) allocations. The resolution also assumes reconciliation savings for the Committee on the Judiciary, which are reflected in Allowances (Function 920).

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congressional Budget Office, with an adjustment to provide $900 million for Byrne Justice Assistance Grants. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

FUNCTION 800: GENERAL GOVERNMENT

FUNCTION SUMMARY

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

For the 5-year period ending in 2006, General Government budget authority increased at an annual average rate of 0.9 percent, from $17.9 billion to $18.7 billion. During the same time period, outlays rose from $16.9 billion to $18.9 billion, a 2.3-percent average annual growth rate.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $19.0 billion in budget authority and $18.9 billion in outlays in fiscal year 2007. The function totals are $92.4 billion in budget authority and $91.5 billion in outlays over 5 years. Mandatory spending is $2.2 billion in budget authority and $2.2 billion in outlays in fiscal year 2007, and totals $10.5 billion in budget authority and $10.5 billion in outlays over 5 years. Discretionary spending is $16.8 billion in budget authority and $16.7 billion in outlays in fiscal year 2007. The resolution levels include the effects of enacted fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplemental for fiscal year 2006.

MANDATORY SPENDING

The spending levels for General Government (Function 800) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies, adjusted for non-reconciled mandatory policies. These levels were adjusted to accommodate legislation to allow time spent at service academies to be considered creditable under the Civil Service Retirement System and the Federal Employee Retirement System, which are also reflected in the Committee's 302(a) allocations (see 302(a) allocations). It also reflects $25 million over 5 years in reconciled mandatory savings (see the reconciliation discussion in this report). The committee with jurisdiction over the reconciled savings will determine the policies to achieve the required savings.

The budget resolution also includes reserve funds for the disposal of underutilized Federal real property and the reauthorization of the Secure Rural Schools and Community Self-Determination Act (Public Law 106–393).

DISCRETIONARY SPENDING

The discretionary level in this function for fiscal year 2007 is the President's recommended level, as re-estimated by the Congres-

sional Budget Office. The Committee on Appropriations will determine how the overall level of discretionary funding is distributed across its 11 bills, and how much is appropriated for individual programs.

Function 900: Net Interest

FUNCTION SUMMARY

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

For the 2001–06 period, budget authority and outlays increased by an average of 1.1 percent a year, to $218.2 billion in fiscal year 2006.

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for $247.1 billion in budget authority and outlays in fiscal year 2007. The function totals are $1,377.2 billion in budget authority and outlays over 5 years. On-budget spending is $354.1 billion in budget authority and outlays in fiscal year 2007, and totals $2,019.8 billion in budget authority and outlays over 5 years. Off-budget spending is −$107.0 billion in budget authority and outlays in fiscal year 2007; and over 5 years, it is −$642.6 billion in budget authority and outlays.

MANDATORY SPENDING

There are no specific mandatory assumptions in this function.

Function 920: ALLOWANCES

FUNCTION SUMMARY

This category 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 function totals are $4.1 billion in budget authority and $3.4 billion in outlays for fiscal year 2007; and −$26.0 billion in budget authority and −$22.3 billion in outlays for 2007–11.

MANDATORY SPENDING

The resolution calls for −$0.2 billion in mandatory budget authority and outlays for fiscal year 2007; and −$3.7 billion in budget authority and outlays for 2007–11. It reflects reconciled mandatory savings that were not distributed among the budget functions.

DISCRETIONARY SPENDING

The resolution calls for $4.3 billion in discretionary budget authority and $3.7 billion in outlays for fiscal year 2007; and −$22.3 billion in budget authority and −$18.7 billion in outlays for 2007–11. It includes $4.4 billion in budget authority in an emergency reserve for 2007 to anticipate a response to natural disaster. The $4.4-billion figure is the median of emergency spending during the past 10 years for accounts typically associated with spending in response to natural disasters.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

FUNCTION SUMMARY

This function consists of receipts to the Treasury. Receipts recorded in this function are either intrabudgetary (a payment from one Federal agency to another, such as agency payments to the retirement trust funds) or proprietary (a payment from the public for some kind of business transaction with the government). The main types of receipts recorded in this function are: the payments Federal employees and agencies make to employee retirement trust funds; payments made by companies for the right to explore and produce oil and gas on the Outer Continental Shelf, and payments by those who bid for the right to buy or use public property or resources, such as the electromagnetic spectrum. These receipts are treated as *negative spending*.

Because increases in on-budget receipts appear as negative spending, for the 5 years ending in 2006, budget authority in this function decreased at an annual average rate of 7.8 percent, to $68.54 billion. During the same time period, outlays rose in 2006, indicating an increase in receipts. Similarly, the increasing receipts are reflected as a decline in outlays in the same period by an average of 7.8 percent per year, to $68.54 billion. Off-budget receipts have increased an average of 7.6 percent per year, reaching $11.4 billion in 2006 (as reflected in negative spending).

SUMMARY OF COMMITTEE-REPORTED RESOLUTION

The resolution calls for −$80.80 billion in budget authority and −$81.64 billion in outlays in fiscal year 2007 (with the minus signs again indicating receipts into the Treasury.) The function totals are −$417.41 billion in budget authority and −$417.42 billion in outlays over 5 years. The resolution levels include the effects of fiscal year 2006 supplementals. The levels also reflect the effects of the House-passed supplementals for fiscal year 2006.

MANDATORY SPENDING

The committees with jurisdiction over programs in this function are Energy and Commerce, Resources and Government Reform. The receipts levels for Undistributed Offsetting Receipts (Function 950) are based on the Congressional Budget Office's revised baseline spending projections under current law and policies.

Summary and Revenue Tables

The tables in this section provide information about the levels assumed for revenues, the budgetary aggregates and functional distribution. For spending, these levels are shown for both budget authority and outlays. The tables also provide comparisons of the levels and budgetary aggregates both with the budget request submitted by the President and with the current year to facilitate analysis of the resolution against common benchmarks for federal revenues and spending.

Table 3: Comparison of Total Revenues for President's Request and Committee Recommendation
Table 4: Comparison of On-Budget Revenues for President's Request and Committee Recommendation
Table 5: Tax Expenditure Estimates by Budget Function, Fiscal Years 2006–2010
Table 6: Fiscal Year 2007 Budget Resolution Total Spending and Revenues
Table 7: Fiscal Year 2007 Budget Resolution Discretionary Spending
Table 8: Fiscal Year 2007 Budget Resolution Mandatory Spending
Table 9: Fiscal Year 2007 Budget Resolution Minus the President's Request
Table 10: Fiscal Year 2007 Budget Resolution Compared to 2006: Total Spending and Revenues
Table 11: Fiscal Year 2007 Budget Resolution Compared to 2006: Total Spending and Revenues (Percentage Change)

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

[In billions of dollars]

	Amount
Fiscal Year 2006:	
President's Request (February 2006)	2,304.0
Committee Level	2,303.1
Fiscal Year 2007:	
President's Request (February 2006)	2,431.2
Committee Level	2,422.4
Fiscal Year 2008:	
President's Request (February 2006)	2,584.6
Committee Level	2,590.0
Fiscal Year 2009:	
President's Request (February 2006)	2,712.1
Committee Level	2,722.7
Fiscal Year 2010:	
President's Request (February 2006)	2,851.8
Committee Level	2,869.0
Fiscal Year 2011:	
President's Request (February 2006)	2,963.7
Committee Level	2,993.5

Note: President's Request is CBO estimate.

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

[In billions of dollars]

	Amount
Fiscal Year 2006:	
President's Request (February 2006)	1,695.6
Committee Level	1,694.7
Fiscal Year 2007:	
President's Request (February 2006)	1,789.4
Committee Level	1,780.7
Fiscal Year 2008:	
President's Request (February 2006)	1,908.2
Committee Level	1,913.6
Fiscal Year 2009:	
President's Request (February 2006)	2,000.4
Committee Level	2,011.2
Fiscal Year 2010:	
President's Request (February 2006)	2,104.5
Committee Level	2,122.2
Fiscal Year 2011:	
President's Request (February 2006)	2,181.7
Committee Level	2,212.3

Note: President's Request is CBO estimate.

TABLE 5.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
National Defense											
Exclusion of benefits and allowances to Armed Forces personnel	...	...	...	...	...	2.8	2.8	2.9	3.0	3.0	14.5
Exclusion of military disability benefits	...	...	...	...	...	0.1	0.1	0.1	0.1	0.1	0.4
Deduction for overnight-travel expenses of National Guard and Reserve Members	...	...	...	...	...	0.1	0.1	0.1	0.1	0.1	0.3
International Affairs											
Exclusion of income earned abroad by U.S. citizens	...	...	...	...	...	3.8	4.0	4.2	4.4	4.6	21.0
Exclusion of certain allowances for Federal employees abroad	...	...	...	...	...	0.6	0.6	0.7	0.7	0.8	3.4
Exclusion of extraterritorial income	3.9	1.9	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	6.2
Deferral of active income of controlled foreign corporations	3.4	5.8	6.4	7.0	7.5	...	...	...	...	...	30.1
Inventory property sales source rule exception	6.2	6.4	6.6	6.8	7.0	...	...	...	...	...	33.0
Deferral of certain active financing income	1.1	1.7	...	...	...	...	...	...	...	...	2.8
General Science, Space, and Technology											
Expensing of research and experimental expenditures	2.0	3.7	5.5	6.0	5.8	(1)	0.1	0.1	0.1	0.1	29.4
Energy											
Expensing of exploration and development costs:											
Oil and gas	1.1	1.6	1.2	0.8	0.6	(1)	(1)	(1)	(1)	(1)	5.4
Other fuels	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Excess of percentage over cost depletion:											
Oil and gas	1.0	1.0	0.9	0.9	0.9	(1)	(1)	(1)	(1)	(1)	4.7
Other fuels	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.6
Incentives for small refiners to comply with EPA sulfur regulations	(1)	(1)	(1)	(1)	(1)	...	...	...	...	...	0.1
Tax credit for production of non-conventional fuels	2.7	3.2	1.2	(1)	(1)	1.0	1.0	0.2	(1)	(1)	8.8
Tax credits for alcohol fuels[2]	(1)	(1)	(1)	(1)	(1)	...	...	...	...	...	0.2
Tax credits for biodiesel fuels	(1)	0.1	0.1	(1)	...	...	...	...	...	...	0.2
Exclusion of interest on State and local government qualified private activity bonds for energy production facilities	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.5
Exclusion of energy conservation subsidies provided by public utilities	...	...	...	...	...	(1)	(1)	(1)	(1)	(1)	0.1
Energy credit (Section 48)	(1)	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Tax credit for electricity production from renewable resources	2.0	3.7	5.5	6.0	5.8	0.1	0.1	0.1	0.1	0.1	29.4
Deferral of gain from the disposition of electric transmission property to implement Federal Energy Regulatory Commission restructuring policy	0.6	0.5	(3)	−0.3	−0.3	...	...	...	...	...	0.4
Tax credit for holders of clean renewable energy bonds	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Tax credit for production of electricity from qualifying advanced nuclear power facilities	...	...	...	...	...	...	...	...	...	...	0.0

TABLE 5.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Tax credits for investments in clean coal power generation facilities	(1)	0.1	0.1	0.2	0.2	.....	.....	.....	.....	.....	0.5
Expensing of the cost of property used in the refining of liquid fuels	(1)	(1)	0.1	0.2	0.3	.....	.....	.....	.....	.....	0.7
Amortization of geological and geophysical costs associated with oil and gas exploration	(3)	0.1	0.2	0.2	0.1	(3)	(1)	0.1	0.1	(1)	0.8
Deduction for expenditures on energy-efficient commercial building property	(1)	0.1	(1)	(3)	(3)	(1)	0.1	(1)	(3)	(3)	0.3
Tax credit for the purchase of qualified energy efficiency improvements to existing homes	.....	.....	.....	.....	.....	0.1	0.3	0.2	.....	.....	0.6
Tax credit for the production of energy-efficient appliances	0.1	0.1	.....	.....	.....	.....	.....	.....	.....	.....	0.2
Tax credit for the residential purchase/installation of qualified Tax credits for alternative technology vehicles	0.1	0.1	(1)	(1)	(1)	0.2	0.2	0.1	0.1	(1)	0.8
Tax credit for clean-fuel vehicle refueling property	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for certain net operating losses of electric utility companies	0.1	(1)	(1)	(3)	(3)	.....	.....	.....	.....	.....	0.1
Natural Resources and Environment											
Expensing of exploration and development costs, nonfuel minerals	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.4
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	1.0
Expensing of timber-growing costs	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
Exclusion of interest on State and local government qualified private activity bonds for sewage, water, and hazardous waste facilities	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.5	0.5	3.3
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 funds	0.5	0.6	0.7	0.8	0.8	.....	.....	.....	.....	.....	3.4
Exclusion of contributions in aid of construction for water and sewer utilities	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	0.2
Amortization of certified pollution control facilities	(1)	(1)	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.3
Amortization of reforestation expenditures	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.6
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)	0.2	0.1	0.1	0.1	0.1	0.7
Expensing of the costs of raising dairy and breeding cattle	(1)	(1)	(3)	(3)	(1)	0.1	(1)	(3)	(3)	(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	−0.1	(1)	(1)	(1)	(1)	−0.8	0.3	0.2	(1)	(1)	−0.3
Income averaging for farmers and fishermen	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for net operating losses attributable to farming	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Commerce and Housing											
Financial institutions:											
Exemption of credit union income	1.7	1.8	1.9	2.0	2.1	.....	.....	.....	.....	.....	9.3

Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts	2.5	2.5	2.6	2.7	2.7	25.5	26.1	26.8	27.5	28.2	147.1
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	1.9	2.0	2.0	2.1	2.2	.....	.....	.....	.....	.....	10.2
Deduction of unpaid property loss reserves for property and casualty insurance companies	3.4	3.4	3.5	3.6	3.6	.....	.....	.....	.....	.....	17.5
Special deduction for Blue Cross and Blue Shield companies	0.9	1.0	1.0	1.0	1.0	.....	.....	.....	.....	.....	5.0
Housing:											
Deduction for mortgage interest on owner-occupied residences	.....	.....	.....	.....	.....	69.4	75.6	80.7	85.9	91.1	402.7
Deduction for property taxes on owner-occupied residences	.....	.....	.....	.....	.....	19.9	13.8	13.5	13.4	13.2	73.8
Exclusion of capital gains on sales of principal residences	.....	.....	.....	.....	.....	24.1	25.2	25.7	26.3	27.1	128.4
Exclusion of interest on State and local government qualified private activity bonds for owner-occupied housing	0.3	0.4	0.4	0.4	0.4	0.9	1.0	1.0	1.1	1.1	7.0
Exclusion of interest on State and local government qualified private activity bonds for rental housing	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.6	0.6	3.7
Depreciation of rental housing in excess of alternative depreciation system	0.4	0.5	0.6	0.7	0.8	4.0	4.6	5.3	6.1	7.0	29.9
Tax credit for low-income housing	3.4	3.6	3.8	4.1	4.4	1.4	1.5	1.6	1.7	1.9	27.4
Tax credit for rehabilitation of historic structures	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	2.2
Tax credit for rehabilitation of structures, other than historic structures	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.5
Additional exemption for housing provided to individuals displaced by Hurricane Katrina	.....	.....	.....	.....	.....	0.1	(1)	.....	.....	.....	0.1
Tax credit for Gulf Opportunity Zone employers providing in-kind lodging for employees and income exclusion for the employees	0.1	(1)	.....	.....	.....	0.1	(1)	.....	.....	.....	0.2
Other business and commerce:											
Reduced rates of tax on dividends and long-term capital gains	.....	.....	.....	.....	.....	92.2	94.5	101.7	99.6	50.2	438.1
Exclusion of capital gains at death	.....	.....	.....	.....	.....	50.9	51.9	53.2	69.7	64.5	290.2
Carryover basis of capital gains on gifts	.....	.....	.....	.....	.....	5.4	5.5	5.7	7.6	56.1	80.3
Deferral of gain on non-dealer installment sales	0.6	0.7	0.7	0.7	0.8	0.5	0.5	0.5	0.6	0.6	6.2
Deferral of gain on like-kind exchanges	2.0	2.1	2.2	2.4	2.5	0.8	0.8	0.9	0.8	1.0	15.5
Depreciation of buildings other than rental housing in excess of alternative depreciation system	0.4	0.6	0.8	1.1	1.4	0.4	0.5	0.7	1.0	1.3	8.3
Depreciation of equipment in excess of the alternative depreciation system	5.7	11.0	17.7	23.4	27.7	−2.2	0.1	2.2	4.3	6.1	96.0
Expensing under section 179 of depreciable business property	0.6	0.6	−0.1	−0.4	−0.2	2.8	2.6	0.1	−0.8	−0.4	4.8
Amortization of business startup costs	(1)	(1)	(1)	(1)	(1)	0.7	0.7	0.8	0.8	0.9	3.9
Reduced rates on first $10,000,000 of corporate taxable income	4.3	4.3	4.3	4.3	4.3	.....	.....	.....	.....	.....	21.6
Permanent exemption from imputed interest rules	(1)	(1)	(1)	(1)	(1)	0.4	0.4	0.4	0.4	0.5	2.1
Expensing of magazine circulation expenditures	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Special rules for magazine, paperback book, and record returns	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Completed contract rules	0.3	0.3	0.4	0.4	0.5	(1)	(1)	(1)	(1)	(1)	1.9
Cash accounting, other than agriculture	(1)	(1)	(1)	(1)	(1)	0.8	0.8	0.8	0.9	0.9	4.2
Exclusion of interest on State and local government small-issue qualified private activity bonds	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	2.3

TABLE 5.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Exception from net operating loss limitations for corporations in bankruptcy proceedings	0.6	0.6	0.6	0.6	0.6	.....	.....	.....	.....	.....	3.0
Tax credit for employer-paid FICA taxes on tips	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	3.1
Deduction of certain film and television production costs	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3
Production activity deduction	2.7	3.9	5.5	5.9	7.4	0.9	1.3	1.8	2.0	2.6	34.0
Exclusion of income from discharge of indebtedness Tax credit for the cost of carrying tax-paid distilled spirits in wholesale inventories	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	0.1
Partial expensing of Gulf Opportunity Zone clean-up costs	(1)	(1)	(1)	(3)	(3)	(1)	(1)	(1)	(3)	(3)	0.1
Additional first-year depreciation for Gulf Opportunity Zone property	0.9	0.9	0.4	−0.1	−0.2	0.4	0.4	0.2	(3)	−0.1	2.9
Ten-year carryback period for casualty losses of public utility property attributable to Hurricane Katrina	0.2	(1)	(3)	(3)	(3)	.....	.....	.....	.....	.....	0.2
Five-year carryback period for casualty losses of public utility property attributable to Hurricane Katrina	0.1	(1)	(3)	(3)	(3)	.....	.....	.....	.....	.....	0.1
Five-year carryback period for losses attributable to various expenses related to Hurricane Katrina	1.0	0.3	−0.1	−0.2	−0.2	.....	.....	.....	.....	.....	0.9
Tax credit for employee retention for employees affected by Hurricanes Katrina, Rita, and Wilma	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.....	0.2
Transportation											
Exclusion of interest on State and local government qualified private activity bonds for highway projects and rail-truck transfer facilities	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Provide a 50 percent tax credit for certain expenditures for maintaining railroad tracks	0.1	0.1	0.1	0.1	(1)	.....	.....	.....	.....	.....	0.4
Deferral of tax on capital construction funds of shipping companies	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.4
Exclusion of employer-paid transportation benefits	.....	.....	.....	.....	.....	4.2	4.3	4.4	4.5	4.7	22.1
Community and Regional Development											
New York City Liberty Zone tax incentives	0.4	0.2	0.1	0.0	−0.1	−0.1	0.2	0.1	0.2	0.1	1.0
Empowerment zone tax incentives	0.3	0.4	0.4	0.4	0.2	0.4	0.4	0.4	0.5	0.3	3.7
Renewal community tax incentives	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.3	2.9
New markets tax credit	0.2	0.3	0.4	0.3	0.3	0.3	0.4	0.5	0.5	0.4	3.7
Expensing of environmental remediation costs (Brownfields)	(1)	(3)	(3)	(3)	(3)	(1)	(3)	(3)	(3)	(3)	−0.2
Exclusion of interest on State and local qualified private activity bonds for green buildings and sustainable design projects	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of interest on State and local government qualified private activity bonds for private airports, docks, and mass-commuting facilities	0.3	0.3	0.3	0.3	0.4	0.7	0.8	0.8	0.9	0.9	5.8

Education, Training, Employment, and Social Services											
Education and training:											
Tax credits for tuition for post-secondary education	.....	.....	.....	.....	.....	4.9	5.2	5.1	5.0	5.0	25.2
Deduction for interest on student loans	.....	.....	.....	.....	.....	0.8	0.9	0.9	0.9	1.0	4.5
Exclusion of earnings of Coverdell education savings accounts	.....	.....	.....	.....	.....	0.1	0.1	0.1	0.2	0.2	0.7
Exclusion of interest on educational savings bonds	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of tax on earnings of qualified tuition programs	.....	.....	.....	.....	.....	0.7	0.8	0.9	1.0	1.0	4.3
Exclusion of scholarship and fellowship income	.....	.....	.....	.....	.....	1.5	1.6	1.7	1.8	1.9	8.5
Exclusion of income attributable to the discharge of certain student loan debt and NHSC Educational Loan repayments	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of employer-provided education assistance benefits	.....	.....	.....	.....	.....	0.8	0.9	0.9	0.9	0.9	4.4
Parental personal exemption for students age 19 to 23	.....	.....	.....	.....	.....	0.5	0.2	0.2	0.1	(1)	1.0
Exclusion of interest on State and local government qualified private activity bonds for student loans	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	2.3
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit and qualified public educational facilities	0.4	0.5	0.5	0.5	0.5	1.1	1.2	1.2	1.3	1.3	8.4
Tax credit for holders of qualified zone academy bonds	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.5
Deduction for charitable contributions to educational institutions	0.7	0.7	0.7	0.8	0.8	5.3	5.9	6.3	6.8	7.1	35.1
Employment:											
Exclusion of employee meals and lodging (other than military)	.....	.....	.....	.....	.....	0.9	0.9	0.9	1.0	1.0	4.9
Exclusion of benefits provided under cafeteria plans[4]	.....	.....	.....	.....	.....	27.9	30.6	33.4	36.6	40.0	168.5
Exclusion of housing allowances for ministers	.....	.....	.....	.....	.....	0.5	0.5	0.5	0.6	0.6	2.7
Exclusion of miscellaneous fringe benefits	.....	.....	.....	.....	.....	6.6	6.8	7.0	7.2	7.7	35.2
Exclusion of employee awards	.....	.....	.....	.....	.....	0.2	0.2	0.2	0.2	0.2	0.9
Exclusion of income earned by voluntary employees' beneficiary associations	.....	.....	.....	.....	.....	3.3	3.4	3.5	3.7	3.8	17.6
Special tax provisions for employee stock ownership plans (ESOPs)	0.8	0.9	0.9	1.0	1.1	0.3	0.3	0.3	0.3	0.3	6.2
Work opportunity tax credit	0.2	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.8
Welfare-to-work tax credit	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.....	0.2
Deferral of taxation on spread on acquisition of stock under incentive stock option plans and employee stock purchase plans[5]	.....	.....	.....	.....	.....	0.4	0.4	0.4	0.2	0.1	1.5
Social services:											
Tax credit for children under age 17[6]	.....	.....	.....	.....	.....	46.0	45.9	46.1	46.0	46.0	230.0
Tax credit for child and dependent care and exclusion of employer-provided child care	.....	.....	.....	.....	.....	3.1	2.7	2.7	2.6	2.5	13.5
Tax credit for employer-provided dependent care	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Exclusion of certain foster care payments	.....	.....	.....	.....	.....	0.6	0.6	0.7	0.7	0.8	3.4
Adoption credit and employee adoption benefits exclusion	.....	.....	.....	.....	.....	0.4	0.5	0.5	0.5	0.5	2.4
Deduction for charitable contributions, other than for education and health	1.7	1.7	1.7	1.8	1.8	29.1	31.9	34.2	36.8	38.4	179.1
Tax credit for disabled access expenditures	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.4

TABLE 5.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Health											
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums[8]	.....	.....	.....	.....	.....	90.6	99.7	107.0	114.5	122.2	534.0
Exclusion of medical care and TRICARE medical insurance for military dependents, retirees, and retiree dependents	.....	.....	.....	.....	.....	1.9	2.0	2.1	2.3	2.5	10.9
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed	.....	.....	.....	.....	.....	3.8	4.2	4.5	4.9	5.2	22.6
Deduction for medical expenses and long-term care expenses	.....	.....	.....	.....	.....	7.3	8.2	9.5	10.7	12.1	47.8
Exclusion of workers' compensation benefits (medical benefits)	.....	.....	.....	.....	.....	6.5	6.9	7.4	8.0	8.5	37.3
Health savings accounts	.....	.....	.....	.....	.....	0.1	0.3	0.6	0.9	1.2	3.2
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit hospital facilities	0.6	0.7	0.7	0.8	0.8	1.7	1.8	1.9	2.0	2.1	13.1
Deduction for charitable contributions to health organizations	0.8	0.8	0.9	0.9	0.9	3.7	4.0	4.3	4.7	4.8	25.8
Tax credit for orphan drug research	0.2	0.3	0.3	0.3	0.3	.....	.....	.....	.....	.....	1.4
Tax credit for purchase of health insurance by certain displaced persons	.....	.....	.....	.....	.....	0.2	0.2	0.2	0.2	0.3	1.2
Medicare											
Exclusion of untaxed Medicare benefits:											
Hospital insurance (Part A)	.....	.....	.....	.....	.....	18.5	20.7	22.5	24.5	26.7	112.9
Supplementary medical insurance (Part B)	.....	.....	.....	.....	.....	12.5	14.2	15.4	16.7	18.1	76.9
Prescription drug insurance (Part D)	.....	.....	.....	.....	.....	3.4	6.2	7.5	8.3	9.5	34.9
Exclusion of certain subsidies to employers who maintain prescription drug plans for Medicare enrollees	0.7	1.2	1.4	1.5	1.6	.....	.....	.....	.....	.....	6.3
Income Security											
Exclusion of workers' compensation benefits (disability and survivors payments)	.....	.....	.....	.....	.....	2.5	2.6	2.7	2.7	2.8	13.2
Exclusion of damages on account of personal physical injuries or physical sickness	.....	.....	.....	.....	.....	1.4	1.5	1.5	1.5	1.5	7.4
Exclusion of special benefits for disabled coal miners	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.0
Exclusion of cash public assistance benefits	.....	.....	.....	.....	.....	3.4	3.6	3.7	3.9	4.0	18.6
Net exclusion of pension contributions and earnings:											
Employer plans	.....	.....	.....	.....	.....	104.1	110.2	115.2	120.8	126.7	577.1
Individual retirement plans	.....	.....	.....	.....	.....	11.2	14.0	15.5	16.9	18.4	76.0
Plans covering partners and sole proprietors (sometimes referred to as Keogh plans)	.....	.....	.....	.....	.....	9.4	10.3	10.8	11.3	11.6	53.4
Tax credit for certain individuals for elective deferrals and IRA contributions	.....	.....	.....	.....	.....	0.9	0.6	(1)	.....	.....	1.5
Tax credit for new retirement plan expenses of small businesses	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1

Exclusion of other employee benefits:											
Premiums on group term life insurance	.....	.....	.....	.....	.....	2.5	2.6	2.6	2.7	2.7	13.1
Premiums on accident and disability insurance	.....	.....	.....	.....	.....	2.6	2.8	2.9	3.0	3.1	14.4
Additional standard deduction for the blind and the elderly	.....	.....	.....	.....	.....	1.6	1.6	1.7	1.7	1.8	8.4
Tax credit for the elderly and disabled	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Deduction for casualty and theft losses	.....	.....	.....	.....	.....	0.7	0.8	0.3	0.3	0.3	2.4
Earned income credit (EIC)	.....	.....	.....	.....	.....	42.1	42.8	43.5	44.5	45.4	218.3
Exclusion of survivor annuities paid to families of exclusion of cancellation of indebtedness income of Hurricane Katrina victims	.....	.....	.....	.....	.....	0.2	0.1	.....	.....	.....	0.3
Social Security and Railroad Retirement											
Exclusion of untaxed social security and railroad retirement benefits	.....	.....	.....	.....	.....	23.1	24.1	24.8	25.9	27.2	125.1
Veterans' Benefits and Services											
Exclusion of veterans' disability compensation	.....	.....	.....	.....	.....	3.6	3.8	3.9	4.0	4.0	19.2
Exclusion of veterans' pensions	.....	.....	.....	.....	.....	0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of veterans' readjustment benefits	.....	.....	.....	.....	.....	0.2	0.3	0.3	0.3	0.3	1.3
Exclusion of interest on State and local government qualified private activity bonds for veterans' housing	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3
General Purpose Fiscal Assistance											
Exclusion of interest on public purpose State and local government bonds	7.3	7.8	8.2	8.6	9.0	18.7	20.1	21.1	22.1	23.1	146.0
Deduction of nonbusiness State and local government income, sales taxes and personal property taxes[9]	.....	.....	.....	.....	.....	36.8	27.3	27.3	28.1	28.9	148.5
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity	0.3	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.3
Interest											
Deferral of interest on savings bonds	.....	.....	.....	.....	.....	1.1	1.1	1.2	1.2	1.2	5.8

[1] Positive tax expenditure of less than $50 million.

[2] n addition, the exemption from excise tax for alcohol fuels results in a reduction in excise tax receipts, net of income tax effect, of $11.1 billion over the fiscal years 2006 through 2010.

[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: 50.1 billion in 2006, 51.5 billion in 2007, 51.4 billion in 2008, and 52.2 billion in 2009 and 53.2 in 2010.

[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.

[9] Deduction for state and local sales taxes expires after December 31, 2005.

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

Source: Joint Committee on Taxation.

TABLE 6.—FISCAL YEAR 2007 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
Summary							
Total Spending:							
BA	2,710.142	2,732.057	2,795.823	2,908.515	3,027.377	3,169.654	14,633.426
OT	2,675.458	2,770.533	2,825.088	2,914.163	3,021.891	3,157.078	14,688.753
On-Budget:							
BA	2,279.621	2,283.168	2,332.477	2,425.877	2,526.722	2,649.340	12,217.584
OT	2,247.249	2,323.835	2,364.246	2,434.492	2,524.225	2,640.257	12,287.055
Off-Budget:							
BA	430.521	448.889	463.346	482.638	500.655	520.314	2,415.842
OT	428.209	446.698	460.842	479.671	497.666	516.821	2,401.698
Revenues:							
Total	2,303.124	2,422.395	2,589.995	2,722.722	2,869.012	2,993.470	13,597.594
On-Budget	1,694.716	1,780.666	1,913.598	2,011.187	2,122.195	2,212.263	10,039.909
Off-Budget	608.408	641.729	676.397	711.535	746.817	781.207	3,557.685
Surplus/Deficit (−):							
Total	−372.334	−348.138	−235.093	−191.441	−152.879	−163.608	−1,091.159
On-Budget	−552.533	−543.169	−450.648	−423.305	−402.030	−427.994	−2,247.146
Off-Budget	180.199	195.031	215.555	231.864	249.151	264.386	1,155.987
Debt Subject to Limit (end of year)	8,527	9,180	9,741	10,272	10,778	11,304	na
Debt Held by the Public (end of year)	4,967	5,326	5,574	5,778	5,943	6,118	na
By Function							
National Defense (050):							
BA	560.521	512.901	484.661	504.753	514.858	525.781	2,542.954
OT	525.513	534.858	505.516	505.874	512.573	524.894	2,583.715
International Affairs (150):							
BA	31.770	31.216	34.206	34.178	33.869	34.293	167.762
OT	34.183	34.270	33.410	33.275	33.093	32.717	166.765
General Science, Space, and Technology (250):							
BA	24.966	25.938	27.146	28.193	29.410	30.689	141.376
OT	24.068	25.108	26.083	27.135	28.263	29.483	136.072
Energy (270):							
BA	1.829	2.262	2.688	2.317	2.190	2.094	11.551
OT	2.030	0.915	0.703	0.913	0.867	0.711	4.109
Natural Resources and Environment (300):							
BA	35.187	29.650	28.833	29.238	28.687	28.595	145.003
OT	32.557	33.038	30.756	30.285	29.724	29.313	153.116
Agriculture (350):							
BA	28.258	27.356	25.205	24.512	23.370	23.011	123.454
OT	26.489	26.782	24.564	23.829	22.560	22.281	120.016
Commerce and Housing Credit (370):							
BA	13.136	16.018	11.178	11.978	13.162	7.666	60.002
OT	6.509	7.549	5.997	6.687	4.957	1.190	26.380
On-Budget:							
BA	14.536	16.518	13.178	13.278	17.062	11.866	71.902
OT	7.909	8.049	7.997	7.987	8.857	5.390	38.280
Off-Budget:							
BA	−1.400	−0.500	−2.000	−1.300	−3.900	−4.200	−11.900
OT	−1.400	−0.500	−2.000	−1.300	−3.900	−4.200	−11.900
Transportation (400):							
BA	74.884	78.258	81.283	72.878	72.926	73.477	378.822
OT	70.892	75.774	78.557	78.329	77.828	77.833	388.321
Community and Regional Development (450):							
BA	38.334	15.942	12.917	12.981	12.988	13.218	68.046
OT	59.905	31.345	25.443	21.661	17.777	13.680	109.906
Education, Training, Employment and Social Services (500):							
BA	112.591	84.849	84.140	83.989	83.393	83.343	419.714

TABLE 6.—FISCAL YEAR 2007 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
OT	106.441	87.530	85.316	83.273	82.575	82.597	421.291
Health (550):							
BA	267.375	275.750	289.867	310.193	326.949	348.509	1,551.268
OT	264.431	274.299	290.959	308.548	326.707	347.074	1,547.587
Medicare (570):							
BA	336.887	382.803	413.350	443.331	472.962	523.267	2,235.713
OT	331.524	388.276	413.417	443.022	473.238	523.305	2,241.258
Income Security (600):							
BA	346.370	356.761	371.174	381.732	391.682	406.687	1,908.036
OT	356.896	362.086	374.267	384.278	393.209	406.960	1,920.800
Social Security (650):							
BA	556.941	585.523	613.755	646.018	681.452	718.925	3,245.673
OT	554.629	583.332	611.251	643.051	678.463	715.432	3,231.529
On-Budget:							
BA	14.820	16.922	18.814	20.694	22.866	26.480	105.776
OT	14.820	16.922	18.814	20.694	22.866	26.480	105.776
Off-Budget:							
BA	542.121	568.601	594.941	625.324	658.586	692.445	3,139.897
OT	539.809	566.410	592.437	622.357	655.597	688.952	3,125.753
Veterans Benefits and Services (700):							
BA	71.991	74.627	76.925	77.814	78.232	82.398	389.996
OT	70.057	73.944	77.200	77.982	78.264	82.249	389.639
Administration of Justice (750):							
BA	40.709	42.795	42.908	43.454	43.816	44.862	217.835
OT	40.782	43.621	43.578	43.716	43.903	44.492	219.310
General Government (800):							
BA	18.705	18.981	18.332	18.365	18.250	18.479	92.407
OT	18.864	18.873	18.318	18.099	18.020	18.213	91.523
Net Interest (900):							
BA	218.228	247.083	266.904	278.209	288.068	296.913	1,377.177
OT	218.228	247.083	266.904	278.209	288.068	296.913	1,377.177
On-Budget:							
BA	317.028	354.079	383.499	405.709	427.371	449.114	2,019.772
OT	317.028	354.079	383.499	405.709	427.371	449.114	2,019.772
Off-Budget:							
BA	−98.800	−106.996	−116.595	−127.500	−139.303	−152.201	−642.595
OT	−98.800	−106.996	−116.595	−127.500	−139.303	−152.201	−642.595
Allowances (920):							
BA	.....	4.145	−7.922	−7.252	−7.384	−7.539	−25.952
OT	.....	3.493	−5.752	−5.918	−6.882	−7.282	−22.341
Undistributed Offsetting Receipts (950):							
BA	−68.540	−80.801	−81.727	−88.366	−81.503	−85.014	−417.411
OT	−68.540	−81.643	−81.399	−88.085	−81.316	−84.977	−417.420
On-Budget:							
BA	−57.140	−68.585	−68.727	−74.480	−66.775	−69.284	−347.851
OT	−57.140	−69.427	−68.399	−74.199	−66.588	−69.247	−347.860
Off-Budget:							
BA	−11.400	−12.216	−13.000	−13.886	−14.728	−15.730	−69.560
OT	−11.400	−12.216	−13.000	−13.886	−14.728	−15.730	−69.560

TABLE 7.—FISCAL YEAR 2007 BUDGET RESOLUTION DISCRETIONARY SPENDING

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
Summary							
Total Spending:							
BA	992.126	929.534	891.172	911.987	921.460	933.433	4,587.586
OT	1,024.931	1,037.635	993.126	981.693	981.983	986.292	4,980.729
Defense:							
BA	557.572	510.170	482.116	502.218	512.263	523.117	2,529.884
OT	522.574	532.150	502.954	503.329	509.967	522.220	2,570.620
Nondefense:							
BA	434.554	419.364	409.056	409.769	409.197	410.316	2,057.702
OT	502.357	505.485	490.172	478.364	472.016	464.072	2,410.109
By Function							
National Defense (050):							
BA	557.572	510.170	482.116	502.218	512.263	523.117	2,529.884
OT	522.574	532.150	502.954	503.329	509.967	522.220	2,570.620
International Affairs (150):							
BA	35.664	32.970	35.034	34.889	34.503	34.834	172.230
OT	38.596	37.064	36.064	35.852	35.656	35.252	179.888
General Science, Space, and Technology (250):							
BA	24.836	25.824	27.027	28.074	29.290	30.568	140.783
OT	24.001	25.035	25.986	27.028	28.154	29.367	135.570
Energy (270):							
BA	3.845	3.831	4.137	3.736	3.652	3.632	18.988
OT	3.979	3.902	3.888	3.878	3.777	3.698	19.143
Natural Resources and Environment (300):							
BA	35.323	28.173	27.765	27.732	27.377	27.710	138.757
OT	33.462	32.619	30.135	29.026	28.377	28.229	148.386
Agriculture (350):							
BA	6.051	5.695	5.563	5.562	5.521	5.606	27.947
OT	6.035	5.943	5.638	5.587	5.510	5.556	28.234
Commerce and Housing Credit (370):							
BA	1.992	3.131	2.591	3.260	7.128	1.804	17.914
OT	2.023	3.539	2.868	3.123	6.075	2.855	18.460
On-budget:							
BA	1.992	3.131	2.591	3.260	7.128	1.804	17.914
OT	2.023	3.539	2.868	3.123	6.075	2.855	18.460
Off-budget:							
BA	.....	.....	.....	.....	.....	.....	.....
OT	.....	.....	.....	.....	.....	.....	.....
Transportation (400):							
BA	27.793	22.915	23.903	24.197	24.206	24.701	119.922
OT	70.042	73.808	76.178	75.996	75.569	75.561	377.112
Community and Regional Development (450):							
BA	17.242	13.048	13.016	13.112	13.144	13.399	65.719
OT	38.613	28.692	25.741	22.056	18.328	14.037	108.854
Education, Training, Employment and Social Services (500):							
BA	79.972	74.688	73.498	73.120	72.117	72.972	366.395
OT	80.869	78.121	76.160	73.804	72.738	72.522	373.345
Health (550):							
BA	54.152	53.000	49.667	51.884	49.400	50.160	254.111
OT	51.651	53.096	52.143	51.257	50.325	49.966	256.787
Medicare (570):							
BA	4.912	4.968	4.870	4.844	4.779	4.836	24.297
OT	4.770	4.924	4.894	4.853	4.794	4.826	24.291
Income Security (600):							
BA	47.426	47.706	48.082	47.828	47.162	47.717	238.495
OT	54.693	54.931	54.013	53.032	51.242	50.271	263.489
Social Security (650):							
BA	4.568	4.799	4.652	4.627	4.561	4.616	23.255

TABLE 7.—FISCAL YEAR 2007 BUDGET RESOLUTION DISCRETIONARY SPENDING—Continued

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
OT	4.576	4.818	4.658	4.640	4.572	4.613	23.301
On-budget:							
BA	.....	.....	.....	.....	.....	.....	.....
OT	.....	.....	.....	.....	.....	.....	.....
Off-budget:							
BA	4.568	4.799	4.652	4.627	4.561	4.616	23.255
OT	4.576	4.818	4.658	4.640	4.572	4.613	23.301
Veterans Benefits and Services (700):							
BA	34.358	36.861	35.188	34.858	34.222	34.431	175.560
OT	32.478	36.271	35.537	35.076	34.284	34.285	175.453
Administration of Justice (750):							
BA	39.939	40.651	42.267	42.905	43.362	44.513	213.698
OT	39.919	42.355	42.462	42.896	43.510	44.200	215.423
General Government (800):							
BA	16.481	16.769	16.406	16.329	16.104	16.302	81.910
OT	16.650	16.684	16.247	16.114	15.934	16.062	81.041
Allowances (920):							
BA	.....	4.335	−4.610	−7.188	−7.331	−7.485	−22.279
OT	.....	3.683	−2.440	−5.854	−6.829	−7.228	−18.668

TABLE 8.—FISCAL YEAR 2007 BUDGET RESOLUTION MANDATORY SPENDING

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
Summary							
Total Spending:							
BA	1,718.016	1,802.523	1,904.651	1,996.528	2,105.917	2,236.221	10,045.840
OT	1,650.527	1,732.898	1,831.962	1,932.470	2,039.908	2,170.786	9,708.024
On-Budget:							
BA	1,292.063	1,358.433	1,445.957	1,518.517	1,609.823	1,720.523	7,653.253
OT	1,226.894	1,291.018	1,375.778	1,457.439	1,546.814	1,658.578	7,329.627
Off-Budget:							
BA	425.953	444.090	458.694	478.011	496.094	515.698	2,392.587
OT	423.633	441.880	456.184	475.031	493.094	512.208	2,378.397
By Function							
National Defense (050):							
BA	2.949	2.731	2.545	2.535	2.595	2.664	13.070
OT	2.939	2.708	2.562	2.545	2.606	2.674	13.095
International Affairs (150):							
BA	−3.894	−1.754	−0.828	−0.711	−0.634	−0.541	−4.468
OT	−4.413	−2.794	−2.654	−2.577	−2.563	−2.535	−13.123
General Science, Space, and Technology (250):							
BA	0.130	0.114	0.119	0.119	0.120	0.121	0.593
OT	0.067	0.073	0.097	0.107	0.109	0.116	0.502
Energy (270):							
BA	−2.016	−1.569	−1.449	−1.419	−1.462	−1.538	−7.437
OT	−1.949	−2.987	−3.185	−2.965	−2.910	−2.987	−15.034
Natural Resources and Environment (300):							
BA	−0.136	1.477	1.068	1.506	1.310	0.885	6.246
OT	−0.905	0.419	0.621	1.259	1.347	1.084	4.730
Agriculture (350):							
BA	22.207	21.661	19.642	18.950	17.849	17.405	95.507
OT	20.454	20.839	18.926	18.242	17.050	16.725	91.782
Commerce and Housing Credit (370):							
BA	11.144	12.887	8.587	8.718	6.034	5.862	42.088
OT	4.486	4.010	3.129	3.564	−1.118	−1.665	7.920
On-budget:							
BA	12.544	13.387	10.587	10.018	9.934	10.062	53.988
OT	5.886	4.510	5.129	4.864	2.782	2.535	19.820
Off-budget:							
BA	−1.400	−0.500	−2.000	−1.300	−3.900	−4.200	−11.900
OT	−1.400	−0.500	−2.000	−1.300	−3.900	−4.200	−11.900
Transportation (400):							
BA	47.091	55.343	57.380	48.681	48.720	48.776	258.900
OT	0.850	1.966	2.379	2.333	2.259	2.272	11.209
Community and Regional Development (450):							
BA	21.092	2.894	−0.099	−0.131	−0.156	−0.181	2.327
OT	21.292	2.653	−0.298	−0.395	−0.551	−0.357	1.052
Education, Training, Employment and Social Services (500):							
BA	32.619	10.161	10.642	10.869	11.276	10.371	53.319
OT	25.572	9.409	9.156	9.469	9.837	10.075	47.946
Health (550):							
BA	213.223	222.750	240.200	258.309	277.549	298.349	1,297.157
OT	212.780	221.203	238.816	257.291	276.382	297.108	1,290.800
Medicare (570):							
BA	331.975	377.835	408.480	438.487	468.183	518.431	2,211.416
OT	326.754	383.352	408.523	438.169	468.444	518.479	2,216.967
Income Security (600):							
BA	298.944	309.055	323.092	333.904	344.520	358.970	1,669.541
OT	302.203	307.155	320.254	331.246	341.967	356.689	1,657.311
Social Security (650):							
BA	552.373	580.724	609.103	641.391	676.891	714.309	3,222.418

TABLE 8.—FISCAL YEAR 2007 BUDGET RESOLUTION MANDATORY SPENDING—Continued

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
OT	550.053	578.514	606.593	638.411	673.891	710.819	3,208.228
On-budget:							
BA	14.820	16.922	18.814	20.694	22.866	26.480	105.776
OT	14.820	16.922	18.814	20.694	22.866	26.480	105.776
Off-budget:							
BA	537.553	563.802	590.289	620.697	654.025	687.829	3,116.642
OT	535.233	561.592	587.779	617.717	651.025	684.339	3,102.452
Veterans Benefits and Services (700):							
BA	37.633	37.766	41.737	42.956	44.010	47.967	214.436
OT	37.579	37.673	41.663	42.906	43.980	47.964	214.186
Administration of Justice (750):							
BA	0.770	2.144	0.641	0.549	0.454	0.349	4.137
OT	0.863	1.266	1.116	0.820	0.393	0.292	3.887
General Government (800):							
BA	2.224	2.212	1.926	2.036	2.146	2.177	10.497
OT	2.214	2.189	2.071	1.985	2.086	2.151	10.482
Net Interest (900):							
BA	218.228	247.083	266.904	278.209	288.068	296.913	1,377.177
OT	218.228	247.083	266.904	278.209	288.068	296.913	1,377.177
On-budget:							
BA	317.028	354.079	383.499	405.709	427.371	449.114	2,019.772
OT	317.028	354.079	383.499	405.709	427.371	449.114	2,019.772
Off-budget:							
BA	−98.800	−106.996	−116.595	−127.500	−139.303	−152.201	−642.595
OT	−98.800	−106.996	−116.595	−127.500	−139.303	−152.201	−642.595
Allowances (920):							
BA	.....	−0.190	−3.312	−0.064	−0.053	−0.054	−3.673
OT	.....	−0.190	−3.312	−0.064	−0.053	−0.054	−3.673
Undistributed Offsetting Receipts (950):							
BA	−68.540	−80.801	−81.727	−88.366	−81.503	−85.014	−417.411
OT	−68.540	−81.643	−81.399	−88.085	−81.316	−84.977	−417.420
On-budget:							
BA	−57.140	−68.585	−68.727	−74.480	−66.775	−69.284	−347.851
OT	−57.140	−69.427	−68.399	−74.199	−66.588	−69.247	−347.860
Off-budget:							
BA	−11.400	−12.216	−13.000	−13.886	−14.728	−15.730	−69.560
OT	−11.400	−12.216	−13.000	−13.886	−14.728	−15.730	−69.560

TABLE 9.—FISCAL YEAR 2007 BUDGET RESOLUTION MINUS THE PRESIDENT'S REQUEST

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
Summary							
Total Spending:							
BA	−0.512	6.352	−0.569	3.81	1.146	−13.785	−3.046
OT	0.312	4.843	4.654	8.383	4.988	−10.142	12.726
On-Budget:							
BA	−0.512	9.211	2.459	7.447	5.436	7.493	32.046
OT	0.312	7.702	7.682	12.02	9.278	11.136	47.818
Off-Budget:							
BA	0	−2.859	−3.028	−3.637	−4.29	−21.278	−35.092
OT	0	−2.859	−3.028	−3.637	−4.29	−21.278	−35.092
Revenues:							
Total	−0.907	−8.777	5.376	10.587	17.201	29.794	54.181
On-Budget	−0.907	−8.689	5.442	10.832	17.723	30.609	55.917
Off-Budget	0	−0.088	−0.066	−0.245	−0.522	−0.815	−1.736
Surplus/Deficit (−):							
Total	−1.219	−13.62	0.722	2.204	12.213	39.936	41.455
On-Budget	−1.219	−16.391	−2.24	−1.188	8.445	19.473	8.099
Off-Budget	0	2.771	2.962	3.392	3.768	20.463	33.356
By Function							
National Defense (050):							
BA	−0.623	−0.019	−0.035	−0.027	−0.005	−0.01	−0.096
OT	−0.442	−1.028	0.335	0.332	0.038	0.024	−0.299
International Affairs (150):							
BA	−0.166	−2.214	−2.214	−2.239	−2.269	−2.284	−11.22
OT	−0.01	−0.361	−0.734	−1.213	−1.473	−1.614	−5.395
General Science, Space, and Technology (250):							
BA	0.03	−0.3	−0.3	−0.3	−0.3	−0.3	−1.5
OT	0.009	−0.051	−0.196	−0.26	−0.262	−0.262	−1.031
Energy (270):							
BA	0	0.05	0.05	0.05	0.05	0.05	0.25
OT	0	0.01	0.03	0.05	0.05	0.05	0.19
Natural Resources and Environment (300):							
BA	−0.001	−0.002	0.121	0.125	0.103	0.104	0.451
OT	0.024	0.047	0.059	0.091	0.102	0.142	0.441
Agriculture (350):							
BA	0	0.095	0.841	0.986	0.889	0.807	3.618
OT	0	0.095	0.719	0.971	0.886	0.804	3.475
Commerce and Housing Credit (370):							
BA	0	−2.047	−2.076	−2.101	−2.124	−2.144	−10.492
OT	−0.029	−3.361	−3.463	−3.547	−3.628	−3.707	−17.706
On-budget:							
BA	0	1.024	1.307	1.476	1.761	2.09	7.658
OT	−0.029	−0.29	−0.08	0.03	0.257	0.527	0.444
Off-budget:							
BA	0	−3.071	−3.383	−3.577	−3.885	−4.234	−18.15
OT	0	−3.071	−3.383	−3.577	−3.885	−4.234	−18.15
Transportation (400):							
BA	0.026	−0.132	−0.132	−0.132	−0.132	−0.132	−0.66
OT	0.003	0	−0.005	−0.007	−0.009	−0.009	−0.03
Community and Regional Development (450):							
BA	0.028	1.185	0.995	0.965	0.99	0.965	5.1
OT	0.358	0.063	0.082	0.568	0.632	0.787	2.132
Education, Training, Employment and Social Services (500):							
BA	−0.02	−0.089	−0.122	−0.142	−0.152	−0.167	−0.672
OT	−0.02	−0.057	−0.089	−0.123	−0.133	−0.145	−0.547
Health (550):							
BA	0	−1.535	−2.74	−3.06	−4.069	−4.608	−16.012
OT	0	−1.53	−2.338	−2.987	−3.54	−4.37	−14.765

TABLE 9.—FISCAL YEAR 2007 BUDGET RESOLUTION MINUS THE PRESIDENT'S REQUEST—Continued

[In billions of dollars]

Fiscal year	2006	2007	2008	2009	2010	2011	2007–2011
Medicare (570):							
BA	0	2.63	5.37	7.66	9.19	12.19	37.04
OT	0	2.63	5.37	7.66	9.19	12.19	37.04
Income Security (600):							
BA	0.798	−1.506	−0.054	−0.356	−0.234	−0.054	−2.204
OT	0.707	−0.881	3.418	3.492	3.64	3.994	13.663
Social Security (650):							
BA	0	0.208	0.35	−0.06	−0.402	−16.843	−16.747
OT	0	0.208	0.35	−0.06	−0.402	−16.843	−16.747
On-budget:							
BA	0	0	0	0	0	0	0
OT	0	0	0	0	0	0	0
Off-budget:							
BA	0	0.208	0.35	−0.06	−0.402	−16.843	−16.747
OT	0	0.208	0.35	−0.06	−0.402	−16.843	−16.747
Veterans Benefits and Services (700):							
BA	−0.05	0.673	0.795	0.795	0.795	0.795	3.853
OT	0.214	0.89	0.737	0.664	0.685	0.712	3.688
Administration of Justice (750):							
BA	0.002	0.904	0.909	0.909	0.909	0.91	4.541
OT	0.013	0.204	0.467	0.654	0.791	0.91	3.026
General Government (800):							
BA	−0.134	−0.485	−0.749	−3.16	−0.538	−0.979	−5.911
OT	−0.113	−0.319	−0.68	−3.133	−0.526	−0.977	−5.635
Net Interest (900):							
BA	−0.402	0.911	2.299	1.987	1.549	0.033	6.779
OT	−0.402	0.911	2.299	1.987	1.549	0.033	6.779
On-budget:							
BA	−0.402	0.907	2.294	1.987	1.552	0.234	6.974
OT	−0.402	0.907	2.294	1.987	1.552	0.234	6.974
Off-budget:							
BA	0	0.004	0.005	0	−0.003	−0.201	−0.195
OT	0	0.004	0.005	0	−0.003	−0.201	−0.195
Allowances (920):							
BA	0	4.145	−7.922	−7.252	−7.384	−7.539	−25.952
OT	0	3.493	−5.752	−5.918	−6.882	−7.282	−22.341
Undistributed Offsetting Receipts (950):							
BA	0	3.88	4.045	9.162	4.28	5.421	26.788
OT	0	3.88	4.045	9.162	4.28	5.421	26.788
On-budget:							
BA	0	3.88	4.045	9.162	4.28	5.421	26.788
OT	0	3.88	4.045	9.162	4.28	5.421	26.788
Off-budget:							
BA	0	0	0	0	0	0	0
OT	0	0	0	0	0	0	0

TABLE 10.—FISCAL YEAR 2007 BUDGET RESOLUTION COMPARED TO 2006: TOTAL SPENDING AND REVENUES

[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2007–2011
Summary						
Total Spending:						
BA	21.915	85.681	198.373	317.235	459.512	1,082.716
OT	95.075	149.63	238.705	346.433	481.62	1,311.463
On-Budget:						
BA	3.547	52.856	146.256	247.101	369.719	819.479
OT	76.586	116.997	187.243	276.976	393.008	1,050.81
Off-Budget:						
BA	18.368	32.825	52.117	70.134	89.793	263.237
OT	18.489	32.633	51.462	69.457	88.612	260.653
Revenues:						
Total	119.271	286.871	419.598	565.888	690.346	2,081.974
On-Budget	85.95	218.882	316.471	427.479	517.547	1,566.329
Off-Budget	33.321	67.989	103.127	138.409	172.799	515.645
Surplus/Deficit (−):						
Total	24.196	137.241	180.893	219.455	208.726	770.511
On-Budget	9.364	101.885	129.228	150.503	124.539	515.519
Off-Budget	14.832	35.356	51.665	68.952	84.187	254.992
By Function						
National Defense (050):						
BA	−47.62	−75.86	−55.768	−45.663	−34.74	−259.651
OT	9.345	−19.997	−19.639	−12.94	−0.619	−43.85
International Affairs (150):						
BA	−0.554	2.436	2.408	2.099	2.523	8.912
OT	0.087	−0.773	−0.908	−1.09	−1.466	−4.15
General Science, Space, and Technology (250):						
BA	0.972	2.18	3.227	4.444	5.723	16.546
OT	1.04	2.015	3.067	4.195	5.415	15.732
Energy (270):						
BA	0.433	0.859	0.488	0.361	0.265	2.406
OT	−1.115	−1.327	−1.117	−1.163	−1.319	−6.041
Natural Resources and Environment (300):						
BA	−5.537	−6.354	−5.949	−6.5	−6.592	−30.932
OT	0.481	−1.801	−2.272	−2.833	−3.244	−9.669
Agriculture (350):						
BA	−0.902	−3.053	−3.746	−4.888	−5.247	−17.836
OT	0.293	−1.925	−2.66	−3.929	−4.208	−12.429
Commerce and Housing Credit (370):						
BA	2.882	−1.958	−1.158	0.026	−5.47	−5.678
OT	1.04	−0.512	0.178	−1.552	−5.319	−6.165
On-budget:						
BA	1.982	−1.358	−1.258	2.526	−2.67	−0.778
OT	0.14	0.088	0.078	0.948	−2.519	−1.265
Off-budget:						
BA	0.9	−0.6	0.1	−2.5	−2.8	−4.9
OT	0.9	−0.6	0.1	−2.5	−2.8	−4.9
Transportation (400):						
BA	3.374	6.399	−2.006	−1.958	−1.407	4.402
OT	4.882	7.665	7.437	6.936	6.941	33.861
Community and Regional Development (450):						
BA	−22.392	−25.417	−25.353	−25.346	−25.116	−123.624
OT	−28.56	−34.462	−38.244	−42.128	−46.225	−189.619
Education, Training, Employment and Social Services (500):						
BA	−27.742	−28.451	−28.602	−29.198	−29.248	−143.241
OT	−18.911	−21.125	−23.168	−23.866	−23.844	−110.914
Health (550):						
BA	8.375	22.492	42.818	59.574	81.134	214.393
OT	9.868	26.528	44.117	62.276	82.643	225.432
Medicare (570):						
BA	45.916	76.463	106.444	136.075	186.38	551.278

TABLE 10.—FISCAL YEAR 2007 BUDGET RESOLUTION COMPARED TO 2006: TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2007–2011
OT	56.752	81.893	111.498	141.714	191.781	583.638
Income Security (600):						
BA	10.391	24.804	35.362	45.312	60.317	176.186
OT	5.19	17.371	27.382	36.313	50.064	136.32
Social Security (650):						
BA	28.582	56.814	89.077	124.511	161.984	460.968
OT	28.703	56.622	88.422	123.834	160.803	458.384
On-budget:						
BA	2.102	3.994	5.874	8.046	11.66	31.676
OT	2.102	3.994	5.874	8.046	11.66	31.676
Off-budget:						
BA	26.48	52.82	83.203	116.465	150.324	429.292
OT	26.601	52.628	82.548	115.788	149.143	426.708
Veterans Benefits and Services (700):						
BA	2.636	4.934	5.823	6.241	10.407	30.041
OT	3.887	7.143	7.925	8.207	12.192	39.354
Administration of Justice (750):						
BA	2.086	2.199	2.745	3.107	4.153	14.29
OT	2.839	2.796	2.934	3.121	3.71	15.4
General Government (800):						
BA	0.276	−0.373	−0.34	−0.455	−0.226	−1.118
OT	0.009	−0.546	−0.765	−0.844	−0.651	−2.797
Net Interest (900):						
BA	28.855	48.676	59.981	69.84	78.685	286.037
OT	28.855	48.676	59.981	69.84	78.685	286.037
On-budget:						
BA	37.051	66.471	88.681	110.343	132.086	434.632
OT	37.051	66.471	88.681	110.343	132.086	434.632
Off-budget:						
BA	−8.196	−17.795	−28.7	−40.503	−53.401	−148.595
OT	−8.196	−17.795	−28.7	−40.503	−53.401	−148.595
Allowances (920):						
BA	4.145	−7.922	−7.252	−7.384	−7.539	−25.952
OT	3.493	−5.752	−5.918	−6.882	−7.282	−22.341
Undistributed Offsetting Receipts (950):						
BA	−12.261	−13.187	−19.826	−12.963	−16.474	−74.711
OT	−13.103	−12.859	−19.545	−12.776	−16.437	−74.72
On-budget:						
BA	−11.445	−11.587	−17.34	−9.635	−12.144	−62.151
OT	−12.287	−11.259	−17.059	−9.448	−12.107	−62.16
Off-budget:						
BA	−0.816	−1.6	−2.486	−3.328	−4.33	−12.56
OT	−0.816	−1.6	−2.486	−3.328	−4.33	−12.56

TABLE 11.—FISCAL YEAR 2007 BUDGET RESOLUTION COMPARED TO 2006: TOTAL SPENDING AND REVENUES

[Percentage change]

Fiscal year	2007	2008	2009	2010	2011
Summary					
Total Spending:					
BA	0.8	3.2	7.3	11.7	17
OT	3.6	5.6	8.9	12.9	18
On-Budget:					
BA	0.2	2.3	6.4	10.8	16.2
OT	3.4	5.2	8.3	12.3	17.5
Off-Budget:					
BA	4.3	7.6	12.1	16.3	20.9
OT	4.3	7.6	12	16.2	20.7
Revenues:					
Total	5.2	12.5	18.2	24.6	30
On-Budget	5.1	12.9	18.7	25.2	30.5
Off-Budget	5.5	11.2	17	22.7	28.4
Surplus/Deficit (−):					
Total	−6.5	−36.9	−48.6	−58.9	−56.1
On-Budget	−1.7	−18.4	−23.4	−27.2	−22.5
Off-Budget	8.2	19.6	28.7	38.3	46.7
By Function					
National Defense (050):					
BA	−8.5	−13.5	−9.9	−8.1	−6.2
OT	1.8	−3.8	−3.7	−2.5	−0.1
International Affairs (150):					
BA	−1.7	7.7	7.6	6.6	7.9
OT	0.3	−2.3	−2.7	−3.2	−4.3
General Science, Space, and Technology (250):					
BA	3.9	8.7	12.9	17.8	22.9
OT	4.3	8.4	12.7	17.4	22.5
Energy (270):					
BA	23.7	47	26.7	19.7	14.5
OT	−54.9	−65.4	−55	−57.3	−65
Natural Resources and Environment (300):					
BA	−15.7	−18.1	−16.9	−18.5	−18.7
OT	1.5	−5.5	−7	−8.7	−10
Agriculture (350):					
BA	−3.2	−10.8	−13.3	−17.3	−18.6
OT	1.1	−7.3	−10	−14.8	−15.9
Commerce and Housing Credit (370):					
BA	21.9	−14.9	−8.8	0.2	−41.6
OT	16	−7.9	2.7	−23.8	−81.7
On-budget:					
BA	13.6	−9.3	−8.7	17.4	−18.4
OT	1.8	1.1	1	12	−31.8
Off-budget:					
BA	−64.3	42.9	−7.1	178.6	200
OT	−64.3	42.9	−7.1	178.6	200
Transportation (400):					
BA	4.5	8.5	−2.7	−2.6	−1.9
OT	6.9	10.8	10.5	9.8	9.8
Community and Regional Development (450):					
BA	−58.4	−66.3	−66.1	−66.1	−65.5
OT	−47.7	−57.5	−63.8	−70.3	−77.2
Education, Training, Employment and Social Services (500):					
BA	−24.6	−25.3	−25.4	−25.9	−26
OT	−17.8	−19.8	−21.8	−22.4	−22.4
Health (550):					
BA	3.1	8.4	16	22.3	30.3
OT	3.7	10	16.7	23.6	31.3
Medicare (570):					
BA	13.6	22.7	31.6	40.4	55.3
OT	17.1	24.7	33.6	42.7	57.8

TABLE 11.—FISCAL YEAR 2007 BUDGET RESOLUTION COMPARED TO 2006: TOTAL SPENDING AND REVENUES—Continued

[Percentage change]

Fiscal year	2007	2008	2009	2010	2011
Income Security (600):					
BA	3	7.2	10.2	13.1	17.4
OT	1.5	4.9	7.7	10.2	14
Social Security (650):					
BA	5.1	10.2	16	22.4	29.1
OT	5.2	10.2	15.9	22.3	29
On-budget:					
BA	14.2	27	39.6	54.3	78.7
OT	14.2	27	39.6	54.3	78.7
Off-budget:					
BA	4.9	9.7	15.3	21.5	27.7
OT	4.9	9.7	15.3	21.4	27.6
Veterans Benefits and Services (700):					
BA	3.7	6.9	8.1	8.7	14.5
OT	5.5	10.2	11.3	11.7	17.4
Administration of Justice (750):					
BA	5.1	5.4	6.7	7.6	10.2
OT	7	6.9	7.2	7.7	9.1
General Government (800):					
BA	1.5	−2	−1.8	−2.4	−1.2
OT	0	−2.9	−4.1	−4.5	−3.5
Net Interest (900):					
BA	13.2	22.3	27.5	32	36.1
OT	13.2	22.3	27.5	32	36.1
On-budget:					
BA	11.7	21	28	34.8	41.7
OT	11.7	21	28	34.8	41.7
Off-budget:					
BA	8.3	18	29	41	54
OT	8.3	18	29	41	54
Allowances (920):					
BA	na	na	na	na	na
OT	na	na	na	na	na
Undistributed Offsetting Receipts (950):					
BA	17.9	19.2	28.9	18.9	24
OT	19.1	18.8	28.5	18.6	24
On-budget:					
BA	20	20.3	30.3	16.9	21.3
OT	21.5	19.7	29.9	16.5	21.2
Off-budget:					
BA	7.2	14	21.8	29.2	38
OT	7.2	14	21.8	29.2	38

Reconciliation

As permitted in Section 310 of the Congressional Budget Act (2 U.S.C. 641), this budget resolution provides for a reconciliation bill. It instructs eight authorizing committees to submit changes in law necessary to achieve the direct spending levels provided for in the budget resolution to continue the reform of mandatory spending. These committees must submit their legislative text to the Budget Committee by May 12, 2006.

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 usually, but not always, 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 not reported to the House, but rather submitted to the Budget Committee. That committee then binds all the submissions together and votes reports out of committee as a single bill—the Budget Committee may not make any substantive 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 it reports that measure directly to the House, and does not submit it to the Budget Committee.

A reconciliation bill is protected in the Senate: It has an automatic time limit on debate and cannot be filibustered—hence passage only requires 51 votes. A provision that does not increase or decrease spending (or revenue) is considered extraneous and hence violates what has become known as "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 Committees.

For the first reconciliation bill, the committees which must submit legislative language to the Budget Committee are as follows:

Committee on Agriculture
Committee on Armed Services
Committee on Education and the Workforce
Committee on Financial Services
Committee on International Relations
Committee on the Judiciary
Committee on Transportation and Infrastructure
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 the period of fiscal years 2007 through 2011.

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

TABLE 12.—RECONCILIATION INSTRUCTIONS TO HOUSE AUTHORIZING COMMITTEES*

[By fiscal year in millions of dollars of deficit reduction]

	2007–2011
Committee on Agriculture	−55
Committee on Armed Services	−175
Committee on Education and the Workforce	−1,323
Committee on Financial Services	−400
Committee on International Affairs	−250
Committee on the Judiciary	−500
Committee on Transportation and Infrastructure	−50
Committee on Ways and Means	−4,000
Total	−6,753

*Submissions to provide for the continued reform of mandatory spending and to achieve deficit reduction (due May 12, 2006).

Section-by-Section Summary of the Budget Resolution

Section 1. Concurrent resolution on the budget for fiscal year 2007

In accordance with section 301(a) of the Congressional Budget Act of 1974,

Subsection (a) establishes the budgetary levels for fiscal year 2007, and the levels for each of the four fiscal years following the budget year, fiscal years 2008 through 2011.

Subsection (b) is the table of contents for the budget resolution.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Section 101. Recommended levels and amounts

This section establishes the aggregate levels for revenue, changes in revenue, total budget authority and outlays, surpluses or deficits, debt held by the public, and debt subject to the statutory limit.

The level of revenue acts as a floor against which all revenue bills are measured. If a bill considered by the House would cause revenue to be less than the amount provided for in the budget resolution, it would violate section 311 of the Congressional Budget Act.

The level of budget authority and outlays act as a ceiling against which all spending bills are measured. If a bill to be considered by the House would cause budget authority or outlays to be more than the amount provided for in the budget resolution, it would violate section 311 of the Congressional Budget Act.

The level of surplus or deficit is the difference between the amount of revenue collected and the outlays expended in a fiscal year. It reflects only on-budget revenue and outlays and hence does not reflect most spending or receipts related to Social Security or the Postal Service, which are classified as off-budget.

The levels of revenue, budget authority, outlays, and surplus or deficit, determine the levels of debt held by the public and debt subject to the statutory limit.

Section 102. Major functional categories

Section 102 sets the budgetary levels for the functional categories for the budget year, fiscal year 2007, and for fiscal years 2008 through 2011.

The functions are as follows:

050 National Defense
150 International Affairs
250 General Science, Space, and Technology
270 Energy
300 Natural Resources and Environment
350 Agriculture
370 Commerce and Housing Credit
400 Transportation

450 Community and Regional Development
500 Education, Training, Employment, and Social Services
550 Health
570 Medicare
600 Income Security
650 Social Security
700 Veterans Benefits and Services
750 Administration of Justice
800 General Government
900 Net Interest
920 Allowances
950 Undistributed Offsetting Receipts

TITLE II—RECONCILIATION

Section 201. Reconciliation in the House of Representatives

This budget resolution includes instructions to specified authorizing committees of the House of Representatives, as authorized by section 310 of the Congressional Budget Act. The instructions direct each committee to submit recommendations to the Budget Committee making changes in law to achieve specified amounts of deficit reduction, generally in the form of reductions in mandatory spending. The Budget Committee then combines these recommendations into one measure. That committee considers whether to report the bill to the House—the bill is known as a reconciliation bill. Whatever its deliberation. The Budget Committee may not amend the combined legislation the committees have submitted.

Section 201(a) directs eight committees to submit reconciliation legislation to the Budget Committee by 12 May 2006. These committees are:

Committee on Agriculture
Committee on Armed Services
Committee on Education and the Workforce
Committee on Financial Services
Committee on International Relations
Committee on the Judiciary
Committee on Transportation and Infrastructure
Committee on Ways and Means

Though each committee may decide what changes are needed to meet its reconciliation instruction, the savings must come from mandatory rather than discretionary spending. For example, reducing the authorization level for a program subject to annual discretionary appropriations does not produce any real deficit reduction. A committee may make whatever changes in the law it deems appropriate as long as it achieves the deficit reduction required for the period of fiscal years 2007 through 2011.

TITLE III—RESERVE FUNDS

Section 301. Reserve fund for the disposal of underutilized federal real property

This section provides for an increase above the levels provided for in the budget resolution should the Government Reform Com-

mittee report legislation that enhances the Government's real property disposal authority and generates discretionary savings.

Amounts from the reserve fund may only be released, though, if the measure does not exceed $25 million in new budget authority and outlays for fiscal year 2007, and the same amount for the period of fiscal years 2007 through 2011.

Section 302. Reserve fund for Secure Rural Schools and Community Self-Determination Act reauthorization

This section allows the Chairman of the Budget Committee to make changes in the aggregates or allocations in this budget resolution if legislation is considered by the House that provides for the reauthorization of the Secure Rural Schools and Community Self-Determination Act (Public Law 106–393). These changes may only occur if the legislation does not increase the deficit for fiscal years 2007 through 2011. The reserve fund is intended to provide the committees maximum flexibility in finding offsets for the program.

Section 303. Reserve fund for calendar year 2007 alternative minimum tax relief

This section serves as a contingency plan in case comprehensive, revenue-neutral tax reform—which the President has announced is a top priority—is not completed in time to apply to 2007 tax years. It accommodates legislation that holds individual taxpayers harmless by increasing the 2007 exemption amounts for the alternative minimum tax [AMT], so as to hold individual taxpayers harmless, but only if such legislation does not reduce revenue below the revenue floor set forth in the concurrent budget resolution for the period of fiscal years 2007 through 2011. This is important because the Budget Act provides for a point of order against legislation that reduces revenue by an amount greater than that provided for by the budget resolution in either the first year or the 5-year period covered by the budget resolution. Under this reserve fund, however, a first-year (fiscal year 2007) adjustment could be made as long as the legislation does not reduce revenue below the revenue floor over five years.

Section 304. Reserve fund for the National Flood Insurance Program

This section creates a reserve fund for the Committee on Financial Services for legislation that reforms the National Flood Insurance Program. It accomplishes two objectives: It allows the Chairman of the Budget Committee to (1) release up to $3.325 billion from the reserve so the program may liquidate its remaining contractual obligations resulting from the floods of 2005. The Chairman may only make the adjustment if (2) the legislation also reforms the program by establishing more actuarially sound rates, and also phases out subsidies on vacation and second homes. The legislation may make such other reforms as the committee decides, but those two policies are needed to release the amounts in the reserve.

Section 305. Reserve fund for the reform of the regulation of government-sponsored enterprises

This section establishes a reserve fund to allow legislation to be considered by the House, if reported by the Committee on Financial Resources that reforms the oversight entities of government sponsored enterprises, such as Fannie Mae and Freddie Mac. Right now those entities pay fees to finance certain housing programs for Federal oversight—these fees currently come into the Treasury as an offset to spending. This reserve fund allows for the consideration of legislation that would turn these spending receipts into revenue, which are different categories in the Federal budget, and for which different points of order are raised on the House floor. This reserve fund would allow the legislation to go forward even if it increased spending, as long as it also increased revenue by at least the same amount.

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 $23.565 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. Section 401(b) includes a special rule that applies in the House which permits an advance appropriation for fiscal year 2008 or 2009 for accounts identified in the account list.

Section 401(c) defines an "advance appropriation" as any new discretionary budget authority making general appropriations or continuing appropriations for fiscal year 2007 that first becomes available for any fiscal year after 2007.

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 House would then continue to consider the bill.

Section 402. Overseas contingency operations

Section 402(a) provides a special exemption from Congressional budget controls for contingency operations related to the global war on terrorism and other unanticipated defense-related needs.

Though $50 billion has been budgeted in this resolution for fiscal year 2007 for this purpose, the final amount has not been determined. The final amount will depend on the President's request and the response of the Appropriations Committee of the House (and the Senate). This section does not preclude the Department of Defense from using funds designated pursuant to this section anywhere in the world, including anywhere in the continental United States or insular territories, for activities in support of operations in the global war on terrorism.

Section 402(b) allows the Chairman of the Budget Committee to appropriately budget for amounts exempt from budgetary controls, but still included in the aggregate levels of spending in the budget resolution.

Section 403. Exemption of avian bird flu response

This section provides a special exemption from Congressional budget controls for spending measures to combat avian flu, to increase local preparedness, and to develop a vaccine to inoculate the American population. The exemption is capped at $2.3 billion—no amount designated as an avian bird flu expense above this level may be exempted from budgetary controls. Any spending above that level designated as an emergency counts against the non-defense emergency reserve fund and spending not so designated counts against the appropriate 302(a) allocation.

Section 404. Application and effect of changes in allocations and aggregates

This section establishes 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 enacted.

Subsection (a)(3) provides that in order to make the adjustments provided for in the reserve funds, the Chairman of the House Budget Committee should insert these adjustments in the Congressional Record.

Subsection (b): Under this subsection, any adjustments for these reserve funds have the same effect as if they were part of the original levels set forth in section 101 of this budget resolution. Hence, the adjusted levels are used to enforce points of order against legislation inconsistent with the allocations and aggregates included in the budget resolution.

Subsection (c): Under this subsection, the House Budget Committee determines the levels and estimates used to enforce points of order in the House of Representatives, as is the case for enforcing Congressional Budget Act points of order. The relevant provision, section 312 of the Congressional Budget Act, allows the Chairman of the Budget Committee to authoritatively advise the Chair of the House as to the appropriate levels and estimates of legislation to be considered by the House of Representatives.

Section 405. Adjustments to reflect changes in concepts and definitions

This section provides authority to the Chairman of the Budget Committee to make adjustments to levels and allocations in the budget resolution if legislation is enacted that provides for a change in concepts or definitions.

Section 406. Compliance with section 13301 of the Budget Enforcement Act

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

Section 407. Exercise of rulemaking powers

This section explains that once the budget resolution is adopted, the provisions of the resolution are automatically incorporated into the rules of the House of Representatives and supersede other inconsistent rules.

Each House retains its constitutional prerogative to change those rules at any time.

Section 408. Treatment of allocations in the House

Under section 302(b) of the Congressional Budget Act of 1974, the Appropriations Committee distributes to its subcommittees the amount of budget authority allocated to it by the most recently adopted budget resolution.

This section provides the Appropriations Committee with the authority to make a separate suballocation for appropriations for legislative branch operations and to consider it a suballocation for all purposes under the Congressional Budget Act.

Section 409. Budgetary treatment of legislation reforming the National Flood Insurance Program

This section provides that for purposes of the allocations and aggregates in this resolution, reconciliation legislation that includes reforms to establish more actuarially sound rates on policies issued by the National Flood Insurance Program and to phase out flood insurance subsidies on pre-FIRM structures not used as primary residences shall be scored without regard to the obligations resulting from enactment of Public Law 109–208. Such estimate assumes the liquidation of the National Flood Insurance Fund's remaining contractual obligations resulting from claims made as a result of floods that occurred in 2005.

Section 410. Adjustments for tax legislation

Under this section, the Committee on Ways and Means may report legislation extending the effective date of tax provisions that already have expired or that expire during the budget window, and that have both revenue and outlay consequences. Once that committee reports the bill, the Chairman of the Committee on the Budget may make adjustments to accommodate the budgetary ef-

fects of the legislation as long as it does not cause increase the deficit for the period of fiscal years 2007 through 2011.

This procedure is necessary because a number of tax relief policies cause incidental outlay effects in addition to their (somewhat larger) revenue effects. If the outlay effects of policies that generally are considered tax policies are treated similarly to other outlays, they would count against the Ways and Means Committee's allocation of direct spending under section 302(a) of the Budget Act. This section allows incidental outlay effects of revenue provisions to be treated as revenue effects, so that outlay increases will be treated as revenue reductions, and outlay reductions will be treated as revenue increases.

TITLE V—EMERGENCY RESERVE FUND

Section 501. Nondefense reserve fund for emergencies

Subsection (a) establishes an emergency reserve fund. It authorizes the Chairman of the Budget Committee to release amounts from the reserve fund for legislation that is designated as an emergency. The Chairman may only release an amount up to the level that remains in the fund.

Under subsection (b), when the level of the reserve fund is exhausted by emergency spending, it may be raised by the Chairman of the Committee on the Budget, but the chairman is not authorized to do so until he convenes a meeting of the full committee to vote to allow such authority.

If a committee reports a bill or files a conference report that includes an emergency designation for spending, and the emergency spending exceeds the amount remaining in the reserve fund, then the Budget Committee Chairman must convene a meeting of the full Budget Committee to decide whether that spending really merits such an emergency designation. During that meeting, the amount by which the reserve fund may be increased is open for amendment—so that the committee may, effectively, amend the budget resolution to accommodate the additional spending.

The Committee may also refuse to provide the additional funds if it believes the designated emergencies do not meet the commonly accepted definition of emergency spending. If the committee does not vote to authorize the additional spending, the Budget Committee Chairman may not revise the levels of the reserve fund, and the emergency designation included in a bill has no effect.

Section 502. Emergency criteria

This section defines the term "emergency" as a situation that requires new budget authority and outlays to prevent the imminent loss of life or property or in response to the loss of life or property. The term "unanticipated" is further defined as sudden, urgent, unforeseen and temporary.

Section 503. Development of guidelines for application of emergency definition

This section requires the Budget Committee Chairman to work with the Chairman of the Appropriations Committee and the rel-

evant authorizing committees to publish guidelines for the application of the emergency definition.

Section 504. Committee notification of emergency legislation

Subsection (a) requires a committee to explain why a provision it designates as an emergency is legitimate and how it meets the commonly accepted criteria included in the budget resolution. The provisions designated as an emergency must be identified, but this section does not require that each separate provision be specifically justified individually, as long as the provisions in general are thoroughly explained and justified on the basis of the definition in section 502 and the accompanying criteria.

Subsection (b) requires the committee of jurisdiction to insert the explanation of the emergency designation in the Congressional Record if the bill comes to the floor without a written report.

Section 505. Up-to-date tabulations

This section requires the Committee on the Budget to keep a record of the amounts in the emergency reserve fund and to publish it in the Congressional Record.

TITLE VI—SENSE OF CONGRESS

Section 601. Sense of Congress on long-term budgeting

This section provides for a sense of Congress on long-term budgeting.

Section 602. Sense of Congress on closing the tax-gap to reduce the deficit

This section provides for a sense of Congress on closing the tax-gap to reduce the deficit.

The spending and revenue levels established in the budget resolution are executed through two parallel, but separate, mechanisms: allocations to the appropriations and authorizing committees, and reconciliation directives to the authorizing committees. The budget resolution may include instructions directing the authorizing committees to report legislation complying with entitlement, revenue, deficit or debt reduction targets. The report accompanying the budget resolution distributes or "allocates" amounts set forth in the budget aggregates for programs, projects and activities to the Appropriations Committee for annual appropriations and the authorizing committees if the programs have permanent or multi-year spending authority. For fiscal year 2007 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 be provided in subsequent legislation reauthorizing expiring mandatory programs.

The report accompanying the budget resolution provides allocations of budget authority and outlays for each of the authorizing committees for the budget year (fiscal year 2007), and the 5-year period (fiscal years 2007 through 2011). Section 302 of the Congressional Budget Act of 1974 (as modified by the Balanced Budget Act of 1997) requires that allocations of budget authority be provided in the budget resolution for the first fiscal year and at least the four ensuing fiscal years (except for the Committee on Appropriations, which receives an allocation only for the budget year).

APPROPRIATIONS COMMITTEE

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

Term of the 302(a) allocation

The allocation to the Appropriations Committee is for the fiscal year commencing on 1 October 2006. Unlike the authorizing com-

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

302(b) allocations

Upon receiving its 302(a) allocation, the Appropriations Committee is required to divide the allocation among its 10 subcommittees and, under the fiscal year 2007 budget resolution, legislative branch operations. The amount each subcommittee receives constitutes its allocation pursuant to section 302(b) of the Congressional Budget Act.

AUTHORIZING COMMITTEES

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

Term of the 302(a) allocation

Because the spending authority for the authorizing committees is multi-year or permanent, the allocations are for the forthcoming budget year commencing on October 1 and a 5-year total for fiscal years 2007 through 2011.

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 2007 will be measured against the level of the budget year, fiscal year 2007 of the budget resolution, and also the 5-year period of fiscal years 2007 through 2011.

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:

Section 301 allows adjustments for legislation that enhances the Government's real property disposal authority and generates discretionary savings.

Section 302 allows adjustments for legislation for the reauthorization of the Secure Rural Schools and Community Self-Determination Act.

Section 303 allows adjustments for legislation that holds individual taxpayers harmless by increasing the 2007 exemption amounts for the alternative minimum tax.

Section 304 allows adjustments for legislation that reforms the National Flood Insurance Program.

Section 305 allows adjustments for legislation that reforms the oversight entities of government-sponsored enterprises, such as Fannie Mae and Freddie Mac.

Most importantly, Title V creates a new emergency reserve fund for which adjustments may be made. It authorizes the Chairman of the Budget Committee to make adjustments for legislation that is designated as an emergency. When the level of the reserve fund is exhausted by emergency spending, adjustments may be made only if the full Budget Committee votes to allow such authority.

ENFORCEMENT

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

RECONCILIATION

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

TABLE 13.—ALLOCATION OF SPENDING AUTHORITY TO HOUSE APPROPRIATIONS COMMITTEE

[By fiscal year in millions of dollars]

	2007
Discretionary Action:	
BA	872,778
OT	963,711
Current Law Mandatory:	
BA	573,526
OT	556,146

TABLE 14.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS

	2007	Total 2007–2011
Agriculture Committee:		
Current Law:		
BA	22,173	60,105
OT	21,670	58,614
Reconciliation:		
BA	na	−55
OT	na	−55
Reauthorizations:		
BA	.....	182,060
OT	.....	180,329
Total:		
BA	22,167	242,110
OT	21,664	238,888
Armed Services Committee:		
Current Law:		
BA	96,318	520,718
OT	96,178	520,074
Discretionary Action:		
BA	45	45
OT	45	45
Reconciliation:		
BA	na	−175
OT	na	−175
Total:		
BA	96,323	520,588
OT	96,183	519,944
Committee on Education and the Workforce:		
Current Law:		
BA	4,168	26,851
OT	4,356	24,228
Discretionary Action:		
BA	.....	.....
OT	1	30
Reconciliation:		
BA	na	−2
OT	na	−1,323
Reauthorizations:		
BA	2,837	15,736
OT	2,223	14,615
Total:		
BA	7,004	42,585
OT	6,686	37,550
Energy and Commerce Committee:		
Current Law:		
BA	248,295	1,454,058
OT	247,120	1,457,993
Reauthorizations:		
BA	.....	20,160
OT	.....	17,188
Total:		
BA	248,295	1,474,218
OT	247,120	1,475,181
Financial Services Committee:		
Current Law:		
BA	3,699	17,646
OT	−43	−8,077
Discretionary Action:		
BA	.....	2
OT	.....	2

TABLE 14.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS—Continued

	2007	Total 2007–2011
Reconciliation:		
BA	na	−400
OT	na	−400
Total:		
BA	3,684	17,248
OT	−58	−8,475
Government Reform Committee:		
Current Law:		
BA	77,836	421,502
OT	74,433	403,135
Committee on House Administration:		
Current Law:		
BA	72	367
OT	47	368
Committee on Homeland Security:		
Current Law:		
BA	1,408	6,626
OT	1,339	7,067
International Relations Committee:		
Current Law:		
BA	11,971	65,229
OT	11,950	61,989
Discretionary Action:		
BA	1	5
OT	1	5
Reconciliation:		
BA	na	−250
OT	na	−250
Total:		
BA	11,952	64,984
OT	11,931	61,744
Judiciary Committee:		
Current Law:		
BA	6,884	28,747
OT	6,009	28,628
Discretionary Action:		
BA	19	116
OT	16	113
Reconciliation:		
BA	na	−500
OT	na	−500
Total:		
BA	6,713	28,363
OT	5,835	28,241
Resources Committee:		
Current Law:		
BA	7,245	31,022
OT	6,122	28,838
Discretionary Action:		
BA	.....	6
OT	.....	6
Total:		
BA	7,245	31,028
OT	6,122	28,844
Science Committee:		
Current Law:		
BA	115	598
OT	74	507

TABLE 14.—ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS—Continued

	2007	Total 2007–2011
Transportation and Infrastructure Committee:		
Current Law:		
BA	67,835	223,730
OT	14,573	75,994
Discretionary Action:		
BA	13	22
OT	13	22
Reconciliation:		
BA	na	−50
OT	na	−50
Reauthorizations:		
BA	.....	101,254
OT	.....	614
Total:		
BA	67,838	324,956
OT	14,576	76,580
Veterans' Affairs Committee:		
Current Law:		
BA	1,236	6,044
OT	1,290	6,530
Reauthorizations:		
BA	573	10,607
OT	530	10,357
Total:		
BA	1,809	16,651
OT	1,820	16,887
Ways and Means Committee:		
Current Law:		
BA	786,683	4,388,001
OT	788,876	4,398,454
Reconciliation:		
BA	na	−4,000
OT	na	−4,000
Reauthorizations:		
BA	305	24,869
OT	82	18,427
Total:		
BA	786,988	4,408,870
OT	788,958	4,412,881

na = Not applicable because amounts are reconciled over 5 years.

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 floor of the House of Representatives.

Any Member of the House may raise a point of order against any tax or spending bill or breaches the allocations and aggregate spending levels established in the budget resolution. If the point of order is sustained, the House is precluded from further consideration of the measure.

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

The major Budget Act requirements are as follows:

SECTION 302(f)

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

SECTION 303(a)

This section prohibits the consideration of spending and tax legislation before the House has passed a budget resolution. Section 303(a) does not apply to budget authority and revenue provisions first effective in a year following the first fiscal year to which a budget resolution applies, or to appropriation bills after May 15.

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

Under sections 308(b)(2), 311(c) and 312 of the Budget Act, the Budget Committee advises the presiding officer on the application of points of order against specific legislation pending before the House. House Budget Committee rules also authorize the chairman to poll the committee on recommendations to the Rules Committee

to enforce the Budget Act by not waiving points of order against specific legislation.

SECTION 311(a)(1)

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

SECTION 401(A)

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

SECTION 401(B)(1)

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

TITLE V OF THE CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2007

Sections 501 through 505 of the budget resolution for fiscal year 2007 set up a significant new enforcement mechanism to better budget for emergency spending. In previous years, the only thing a committee needed to escape budgetary controls was to simply designate spending as an emergency and no points of order could be raised against it.

This budget resolution, though, puts in place of that system a reserve fund. This holds in reserve an amount, calculated by averaging emergency spending from the prior 10 years (after eliminating the extraordinarily high and low years).

This reserve fund can be tapped for emergencies as they arise, and the Chairman of the Committee on the Budget will adjust the allocation to a committee after releasing funds from the reserve. When the reserve is exhausted, however, no more adjustments can be made unless the Budget Committee votes to authorize the chairman to raise the appropriate budget levels to accommodate the additional emergency spending.

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, 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 2007.

On 29 March 2006, the committee met in open session, a quorum being present.

Chairman Nussle asked unanimous consent that he be authorized, consistent with clause 4 of House Rule XVI, to declare a recess at any time during the committee meeting; and, in addition, that the chairman and the ranking member be allotted 35 minutes in addition to the opening statements to control the time and to allow members to submit written statements for the record.

There was no objection to the unanimous consent request.

Mr. Baird moved to adjourn.

By voice vote, the motion to adjourn was not agreed to.

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 committee adopted and ordered reported the Concurrent Resolution on the Budget for Fiscal Year 2007. The following votes were taken by the committee:

1. An amendment was offered by Mr. Bradley to increase function 700 to reflect higher funding for discretionary Veterans' programs by the following amounts: budget authority—$795,000,000 for fiscal year 2007, $795,000,000 for fiscal year 2008, $795,000,000 for fiscal year 2009, $795,000,000 for fiscal year 2010, $795,000,000 for fiscal year 2011; outlays—$716,000,000 for fiscal year 2007, $787,000,000 for fiscal year 2008, $790,000,000 for fiscal year 2009, $791,000,000 for fiscal year 2010, $791,000,000 for fiscal year 2011.

The amendment also decreased funding in function 150 to reflect lower funding for international affairs programs by the following amounts: budget authority—$795,000,000 for fiscal year 2007, $795,000,000 for fiscal year 2008, $795,000,000 for fiscal year 2009, $795,000,000 for fiscal year 2010, $795,000,000 for fiscal year 2011; outlays—$59,000,000 for fiscal year 2007, $259,000,000 for fiscal

year 2008, $429,000,000 for fiscal year 2009, $509,000,000 for fiscal year 2010, $552,000,000 for fiscal year 2011.

The amendment was agreed to by voice vote; unanimous.

2. An amendment offered by Representatives Neal, Baird, and Allen. The amendment strikes all after the resolving clause and substitutes the Congressional Budget Office's re-estimate of the President's 2007 budget.

The amendment was not agreed to by a roll call vote of 0 ayes and 37 noes.

ROLLCALL VOTE NO. 1

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

3. An amendment offered by Representatives Spratt, Schwartz, Edwards, Capps, Cuellar, and Ford to increase function 450 to reflect higher funding for Port Security Grants by the following amounts: budget authority—$500,000,000 for fiscal year 2007; outlays—$50,000,000 for fiscal year 2007, $185,000,000 for fiscal year

2008, $155,000,000 for fiscal year 2009, $110,000,000 for fiscal year 2010.

The amendment also increased funding in function 750 to reflect higher funding for cargo security initiatives by the following amounts: budget authority—$500,000,000 for fiscal year 2007; outlays—$316,000,000 for fiscal year 2007, $162,000,000 for fiscal year 2008, $22,000,000 for fiscal year 2009.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: increase function 450 by $500 million for port security grants; increase discretionary funding for function 750 by $170 million for Container Security Initiative; increase discretionary funding for function 750 by $50 million for cargo security initiatives; and increase discretionary funding for Function 750 by $280 million increase for procurement of cargo security items; and, authorize the chairman to make adjustments to Function 800 and any relevant spending levels and allocations to reduce the size of the tax gap.

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

ROLLCALL VOTE NO. 2

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

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. SIMPSON		X		Ms. SCHWARTZ	X		
Mr. BRADLEY		X		Mr. KIND	X		
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					
Mr. CHOCOLA		X					
Mr. CAMPBELL		X					

4. An amendment offered by Representatives Moore, Baird, Ford, Cooper, Case, Jefferson, Allen, Cuellar, and Kind to restore fiscal responsibility by instituting a PAYGO point of order in the House, striking Rule XXVII (the Gephardt Rule) from the House of Representatives rules, and not allowing increases to the deficit through reconciliation.

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

ROLLCALL VOTE NO. 3

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

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

5. An amendment offered by Representatives DeLauro, Moore, Edwards, Capps, Jefferson, Allen, Cuellar, and Kind increased the funding for Education, Health, Community Services, and Job Training by $7,000,000,000 from $23,565,000,000 to $30,565,000,000 in accordance with the Specter-Harkin Amendment in the Senate-passed fiscal year 2007 budget (S. Con. Res. 83).

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: the resolution provides an additional $7 billion in advance 2008 appropriations for education, health, community services and job training and rejects the President's decreases in these areas.

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

ROLLCALL VOTE NO. 4

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

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

6. An amendment offered by Representatives Neal, Moore, Allen, Capps, and Davis to allow the negotiation of lower Medicare drug prices.

The amendment establishes a reserve fund for the negotiation, by the Secretary of Health and Human Services, of the best possible price for prescription drugs provided by part D of title XVIII of the Social Security Act.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: the resolution will include a reserve fund for the savings realized by the negotiation of lower drug prices and such savings must be spent to improve the Medicare Part D drug benefit or deficit reduction.

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

ROLLCALL VOTE NO. 5

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

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. HENSARLING		X		Mr. ALLEN	X		
Mr. LUNGREN		X		Mr. CASE	X		
Mr. SESSIONS		X		Ms. McKINNEY			
Mr. RYAN (WI)		X		Mr. CUELLAR	X		
Mr. SIMPSON		X		Ms. SCHWARTZ	X		
Mr. BRADLEY		X		Mr. KIND	X		
Mr. McHENRY		X					
Mr. MACK		X					
Mr. CONAWAY		X					
Mr. CHOCOLA		X					
Mr. CAMPBELL		X					

7. An amendment offered by Representatives Edwards, Ford, Jefferson, Allen, Cuellar, Schwartz and Kind to eliminate new health care fees for military retirees.

The amendment increases budget authority and outlays for function 050 by the following amounts: budget authority—$735,000,000 for fiscal year 2007; outlays—$592,000,000 for fiscal year 2007, $121,000,000 for fiscal year 2008, $13,000,000 for fiscal year 2009, $4,000,000 for fiscal year 2010, $2,000,000 for fiscal year 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: increase discretionary funding for function 050 by $735 million above the amount requested in the President's budget, and authorize the chairman to make adjustments to function 800, and any relevant spending levels and allocations to reduce the size of the tax gap.

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

ROLLCALL VOTE NO. 6

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. RYUN (KS)		X		Mr. MOORE	X		
Mr. CRENSHAW		X		Mr. NEAL	X		
Mr. PUTNAM		X		Ms. DeLAURO	X		

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

8. An amendment offered by Representatives Davis, DeLauro, Neal, Allen, and Cuellar to support economic security increased budget authority and outlays for function 450 by the following amounts: budget authority—$421,000,000 for fiscal year 2007; outlays—$194,000,000 for fiscal year 2007, $140,000,000 for fiscal year 2008, $87,000,000 for fiscal year 2009.

The amendment also increased budget authority and outlays for function 600 by the following amounts: budget authority—$1,682,000,000 for fiscal year 2007; outlays—$1,288,000,000 for fiscal year 2007, $361,000,000 for fiscal year 2008, $33,000,000 for fiscal year 2009.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy, increased funding for: the Child Care and Development Fund, LIHEAP, the Commodity Supplemental Food Program, and Community and Development Block Grant programs; and no changes to the Food Stamp Program that reduce spending or restrict eligibility for benefits. It also assumes

authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

The amendment was not agreed to by a roll call vote of 15 ayes and 18 noes.

ROLLCALL VOTE NO. 7

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

9. An amendment offered by Representatives Allen, Neal, Ford, Capps, Davis, Cuellar, and Schwartz to establish a reserve fund to address Medicare Advantage overpayments and improve the Medicare prescription drug benefit.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: create a reserve fund allowing for reductions in overpayments under Medicare part C, pro-

vided such funds are used to strengthen and improve the Medicare prescription drug benefit.

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

ROLLCALL VOTE NO. 8

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

10. An amendment offered by Representatives Capps, Allen, Baird, Jefferson, Kind, and Schwartz to increase funding for environmental protection and conservation increased budget authority and outlays for function 300 by the following amounts: budget authority—$1,002,000,000 for fiscal year 2007; outlays—$508,000,000 for fiscal year 2007, $237,000,000 for fiscal year 2008, $98,000,000 for fiscal year 2009, $96,000,000 for fiscal 2010, $46,000,000 for fiscal 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments

to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: a level of funding equal to the 2006 regular enacted level for the Environmental Protection Agency, the Army Corp of Engineers, and the National Park Service; and authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

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

ROLLCALL VOTE NO. 9

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

11. An amendment offered by Representatives Schwartz, Ford, Edwards, Capps, Allen, Baird, and Cuellar increasing funding for

Homeland Security budget authority and outlays in function 450 by the following amounts: budget authority—$421,000,000 for fiscal year 2007, $701,000,000 for fiscal year 2008; outlays—$42,000,000 for fiscal year 2007, $226,000,000 for fiscal year 2008, $390,000,000 for fiscal year 2009, $310,000,000 for fiscal 2010, $154,000,000 for fiscal 2011.

The amendment also would increase budget authority and outlays for function 050 by the following amounts for funding for the Cooperative Threat Reduction Program and Army National Guard: budget authority—$828,000,000 for fiscal year 2007; outlays—$496,000,000 for fiscal year 2007, $205,000,000 for fiscal year 2008, $83,000,000 for fiscal year 2009, $23,000,000 for fiscal year 2010, $10,000,000 for fiscal year 2011.

The amendment also would increase budget authority and outlays for function 750 by the following amounts for funding of homeland security programs, such as the State Criminal Alien Assistance program and the Byrne Justice Assistance Grant Program: budget authority—$67,000,000 for fiscal year 2007; outlays—$15,000,000 for fiscal year 2007, $20,000,000 for fiscal year 2008, $13,000,000 for fiscal year 2009, $10,000,000 for fiscal year 2010, $9,000,000 for fiscal year 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: increased function 450 to provide funding for first responders; increased function 050 to provide funding for the Cooperative Threat Reduction Program and Army National Guard troop strength; and increase function 750 to provide funding for homeland security programs. It also assumes authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

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

ROLLCALL VOTE NO. 10

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

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

12. An amendment offered by Representative Edwards rejecting cuts to veterans' health care increased budget authority and outlays for function 700 by the following amounts: budget authority—$59,000,000 for fiscal year 2008, $1,426,000,000 for fiscal year 2009, $3,116,000,000 for fiscal year 2010, $3,994,000,000 for fiscal year 2011; outlays—$53,000,000 for fiscal year 2008, $1,289,000,000 for fiscal year 2009, $2,933,000,000 for fiscal year 2010, $3,881,000,000 for fiscal 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: increased funding for Function 700 above the amounts requested in the President's budget for fiscal years 2008 through 2011. It also assumes authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

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

ROLLCALL VOTE NO. 11

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

13. An amendment offered by Representative DeLauro providing assistance to hurricane Katrina victims increased budget authority and outlays for function 600 by the following amounts: budget authority—$145,000,000 for fiscal year 2007, $129,000,000 for fiscal year 2008; outlays—$145,000,000 for fiscal year 2007, $129,000,000 for fiscal year 2008.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: victims of Hurricane Katrina shall be able to receive a tax refund from the child tax

credit in 2006 and 2007 and to claim the refundable portion of the child tax credit beginning with their first dollar of earned income. It also assumes authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

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

ROLLCALL VOTE NO. 12

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

14. An amendment offered by Representative Ford striking funding from the Base Closure Account decreases budget authority and outlays for function 050 by the following amounts: budget authority—$5,626,000,000 for fiscal year 2007; outlays—$935,000,000 for fiscal year 2007.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: strike $5.6 billion from the Base Closure Account.

The amendment was not agreed to by a roll call vote of 11 ayes and 26 noes.

ROLLCALL VOTE NO. 13

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

15. An amendment offered by Representative Baird extending the State and local sales tax deductions reduced revenue by the following amounts: revenue—$2,600,000,000 for fiscal year 2007, $2,700,000,000 for fiscal year 2008, $2,900,000,000 for fiscal year 2009, $3,500,000,000 for fiscal year 2010, $4,200,000,000 for fiscal year 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: the revenue decreases provide sales tax deduction for residents of Washington, Florida, Texas, South Dakota, Tennessee, Nevada, and Wyoming. It also assumes authorization for the chairman to make appropriate adjustments to Function 800 and to any relevant spending levels and allocations to reduce the tax gap.

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

ROLLCALL VOTE NO. 14

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

16. An amendment offered by Mr. Cooper provided for a sense of Congress that the determination of the congressional budget for the United States and the President's budget request should include consideration of the financial report of the U.S. Government, espe-

cially information regarding the net operating cost, financial position, and long term liabilities.

The amendment was agreed to by voice vote.

17. An amendment offered by Representative Allen increased funding for small businesses by increasing budget authority and outlays for function 370 by the following amounts: budget authority—$237,000,000 for fiscal year 2007; outlays—$79,000,000 for fiscal year 2007, $93,000,000 for fiscal year 2008, $42,000,000 for fiscal year 2009, $15,000,000 for fiscal year 2010, $4,000,000 for fiscal year 2011.

The amendment reduced budget authority and outlays for function 270, reflecting the elimination of funding for the Global Nuclear Energy Partnership, by the following amounts: budget authority—$250,000,000 for fiscal year 2007; outlays—$113,000,000 for fiscal year 2007, $100,000,000 for fiscal year 2008, $25,000,000 for fiscal year 2009, $12,000,000 for fiscal year 2010.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment made all necessary and conforming changes to the committee report to reflect the following assumptions in policy: reducing fees for the Small Business Administration [SBA]; providing funding for the SBA's Microloan Technical Assistance program at the 2006 level; providing funding for SBA's Technical Assistance Program at the 2006 level; providing funding for the SBA's HUBZones Program at the 2006 level; providing funding for the SBA's Native American Outreach Program at the 2006 level; providing funding for the SBA's PRIME Technical Assistance program at the 2006 level; providing funding for the SBA's SBDC program at the 2006 level; providing funding for the SBA's Women's Business Centers Grants at the 2006 level; providing $105 million for the Manufacturing Extension Partnership for 2007; rejecting the President's proposal to eliminate the Advanced Technology Program and maintaining funding at the 2006 level; and eliminating funding for 2007 for the Global Nuclear Energy Partnership.

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

ROLLCALL VOTE NO. 15

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

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

18. An amendment offered by Representative Kind for protecting health care in rural America by providing Medicare physician reimbursement and funding for rural communities and other providers. The amendment increased budget authority and outlays for function 550 by the following amounts: budget authority—$133,000,000 for fiscal year 2007; outlays—$46,000,000 for fiscal year 2007, $60,000,000 for fiscal year 2008, $18,000,000 for fiscal year 2009, $6,000,000 for fiscal year 2010, $2,000,000 for fiscal year 2011.

The amendment increased budget authority and outlays for function 570 by the following amounts: budget authority—$354,000,000 for fiscal year 2007, $241,000,000 for fiscal year 2008; outlays—$354,000,000 for fiscal year 2007, $241,000,000 for fiscal year 2008.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: does not assume any cuts below the 2006 enacted level to discretionary Rural Health Activities; assumes increases in Medicare funding to extend the increase in the work geographic index under the physician fee schedule to 1.0 for any locality for which the work geographic index is less than 1.0 for calendar year 2006 furnished services; assumes extension of the 2-percent increase in the update for rural ambulance service under Medicare for calendar year 2007, and assumes extension of the 5-percent additional payment for Medicare home health services furnished to beneficiaries residing in rural areas.

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

ROLLCALL VOTE NO. 16

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

19. An amendment offered by Representative Davis preventing harmful cuts to children's hospitals increased budget authority and outlays for function 550 by the following amounts: budget authority—$198,000,000 for fiscal year 2007; outlays—$68,000,000 for fiscal year 2007, $90,000,000 for fiscal year 2008, $26,000,000 for fiscal year 2009, $8,000,000 for fiscal year 2010, $2,000,000 for fiscal year 2011.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

The amendment directed the committee report be modified to reflect the following assumptions in policy: assume funding for Children's Hospitals Graduate Medical Education at the 2006 enacted level.

The amendment was withdrawn and the report language was included in lieu thereof.

20. An amendment offered by Representative Cooper to add the following section: Prohibition against consideration of appropriation measures if funds for earmarks are included only in accompanying reports.

The amendment stated: (1) earmarks must be included in a measure, not solely listed in a committee or conference report accompanying the measure; (2) an earmark is defined as a provision that specifies the identity of a private business, State, territory or locality, but not any Federal agency, to receive a grant, loan, loan guarantee, or contract; (3) the House would be out of order to consider any rule or waiver of paragraph (1) to any measure containing discretionary spending.

The amendment was defeated on a voice vote.

21. An amendment was offered by Representative Cuellar as a sense of Congress regarding Performance-Based Budgeting.

The amendment was withdrawn and by unanimous consent report language was agreed upon on the matter for Representatives Cuellar and Diaz-Balart.

22. An amendment offered by Representative DeLauro increasing rural communities' budget authority and outlays for function 450 by the following amounts: budget authority—$220,000,000 for fiscal year 2007; outlays—$14,400,000 for fiscal year 2007, $56,600,000 for fiscal year 2008, $65,700,000 for fiscal year 2009, $38,400,000 for fiscal year 2010, $22,900,000 for fiscal year 2011 ($22,000,000 in 2007 budget authority would not be spent until fiscal year 2012).

The amendment increased budget authority and outlays for function 600 by the following amounts: budget authority—$180,000,000 for fiscal year 2006; outlays—$12,900,000 for fiscal year 2006, $46,000,000 for fiscal year 2007, $48,400,000 for fiscal year 2008, $46,600,000 for fiscal year 2009, $26,000,000 for fiscal year 2010.

The amendment made adjustments to aggregate revenue to ensure the amendment was deficit neutral. It authorized adjustments to function 800 and to any relevant spending levels and allocations to reduce the size of the tax gap.

The amendment made all necessary and conforming changes to the Chairman's Mark.

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

ROLLCALL VOTE NO. 17

Representative	Aye	No	Present	Representative	Aye	No	Present
Mr. NUSSLE, Chairman		X		Mr. SPRATT, Ranking	X		
Mr. RYUN (KS)		X		Mr. MOORE	X		
Mr. CRENSHAW		X		Mr. NEAL	X		

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

23. An amendment offered by Representative McCotter added the following section: It is the sense of Congress that any revenue increases achieved through recovery of taxes legally owed to the U.S. Treasury but not actually paid—the so-called "tax gap"—shall be dedicated entirely to reducing the deficit and the accumulated debt, and not to financing additional spending.

The amendment was agreed to by a roll call vote of 24 ayes and 13 noes.

ROLLCALL VOTE NO. 18

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

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

Mr. Ryun moved that the committee adopt the aggregates, functional totals, and other matters, as amended.

The motion was agreed to by voice vote.

Chairman Nussle called up the Concurrent Resolution of the Budget for Fiscal Year 2007 incorporating aggregates, function totals, and other appropriate matter as previously agreed.

Mr. Ryun moved that the committee order the Concurrent Resolution reported with a favorable recommendation and that the Concurrent Resolution do pass.

The motion offered by Mr. Ryun was agreed to by a roll call vote of 22 ayes and 17 noes.

ROLLCALL VOTE NO. 19

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

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

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

Public Debt: Amending the Statutory Limit Pursuant to House Rule XXVII

The adoption of a conference agreement by the two Houses on a concurrent resolution of the budget would result in the engrossment of a House Joint Resolution adjusting the level of the statutory limit on the public debt pursuant to House Rule XXVII, in consonance with clause 3 of that rule. This resolution contemplates a joint resolution of the following form:

> Resolved, by the Senate and the House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof $9,618,000,000,000.

If the joint resolution is enacted to raise the debt limit to the level contemplated by this resolution, the limit will be increased from $8.965 trillion to $9.618 trillion, an increase of $653 billion.

Additional Report Language

OXYGEN FUEL SYSTEMS

The committee recognizes the importance of oxygen fuel systems as part of the Department of Energy's Clean Coal Initiative. Coal fired power plants account for over half of our electric generation and the deployment of oxygen fuel systems will greatly reduce power plant emissions and will meet the administration's emissions targets of 2020 immediately. Key to this effort will be the establishment of an oxygen fuel program office within the Department of Energy as authorized by section 1407 of the recently-passed Energy Bill.

COAL RESEARCH

Coal is the United States' most abundant domestic energy source and a primary fuel for generating electricity. The committee recognizes the importance of coal and is supportive of the Clean Coal Power Initiative and the coal research, development and demonstration projects it supports.

BONNEVILLE POWER MARKETING ADMINISTRATION

This resolution does not specifically assume the use of Bonneville Power Administration [BPA] secondary market revenues in excess of a threshold to be set by the administration for advance amortization payments on BPA bond obligations, as proposed in the administration budget.

CHILDREN'S HOSPITAL GRADUATE MEDICAL EDUCATION

The committee recognizes the important role that the nation's independent children's hospitals play in providing high quality health care to all children. Children's hospitals treat a disproportionately poor and uninsured population, and provide the majority of highly specialized pediatric inpatient care to children with complex and chronic conditions. They are the pediatric health care safety net for low-income children in their communities and regions, with an average of 50 percent or more of their care devoted to children in Medicaid. Children's hospitals train 30 percent of all pediatricians in the United States, half of the nation's pediatric sub-specialists and the majority of pediatric researchers. The Children's Hospitals Graduate Medical Education program [CHGME] was established by Congress in 1999 to provide equitable GME support to freestanding children's teaching hospitals. The committee recognizes the importance of the CHGME and recommends adequate funding to sustain the current program.

The Children's Hospitals Graduate Medical Education [GME] program is an important source of funding for freestanding chil-

dren's hospitals. In determining the appropriate level of funding for fiscal year 2007, the committee believes Congress should consider both the number of uninsured patients whose care is partially funded through the GME program and the need for continued funding of physician training through the GME program.

IMPORTANCE OF THE AIDS DRUG ASSISTANCE PROGRAMS

AIDS Drug Assistance Programs [ADAPs] provide FDA-approved HIV-related prescription drugs to underinsured and uninsured individuals living with HIV/AIDS. Title II of the Ryan White Comprehensive AIDS Resources Emergency Act gives states broad authority to set program eligibility criteria and treatment options for this joint federal-state funded program based on need and the availability of funds. ADAPs play a particularly critical role in providing lifesaving medications to the very poor. Eighty percent of all ADAP clients are at 200 percent of the Federal Poverty Level or below. ADAP has been an extremely successful program and today is keeping over 100,000 people alive throughout the Nation. Since people are living longer, demand for HIV/AIDS treatment is at an all-time high. A recent Institute of Medicine report concluded that there are 233,000 HIV-positive Americans who do not have access to AIDS drugs, and that some States have instituted waiting lists. The President recognized the importance of the ADAPs in his State of the Union address by calling for "new funding to states, so we end the waiting lists for AIDS medicine in America." In his budget, the President proposed increasing ADAP funding by $70 million. While this will not provide AIDS medications for everyone who needs them, it is a worthy increase and the committee recognizes the importance of funding this program at adequate levels.

POISON CONTROL PROGRAM

The budget resolution assumes funding of the Poison Control Program at the prior year level. The Poison Control Program currently supports a mix of grantees—most grantees serve entire states, but a few serve multistate regions and, in a handful of cases, more than one grantee serves a single state. The committee is generally supportive of this current structure and the budget resolution assumes no changes will be made in this approach. The committee also assumes that poison control funds will continue to be allocated to all certified centers based on service population.

MAINTAINING ACCESS TO AMBULANCE SERVICES

Medicare reimbursement for ambulance services continues to be well below the national average for the cost of providing those services. Medicare patients on average account for 50 percent of the revenue of ambulance service providers. In order to maintain adequate access and high quality service that Medicare beneficiaries deserve, it is essential that ambulance service providers be reimbursed for the cost of providing the service.

MAN-PORTABLE AIR DEFENSE SYSTEMS

Man-Portable Air Defense Systems [MANPADS] remain a serious threat to commercial aviation, to the economy and to our nation as a whole. Commercial variants of military Infrared Countermeasures Systems have proven a safe and cost effective way to protect against this threat. The results of the Department of Homeland Security [DHS] Phase I and II studies have provided data confirming the feasibility of transferring proven military technology into the commercial environment. The committee recognizes the success of DHS' Counter-MANPAD program and the importance of adequately funding Phase III testing and consequent efforts to establish a procurement agency and production plan.

PHYSICIAN MEDICARE PAYMENTS

Under current Medicare law a formula, called the Sustainable Growth Rate [SGR], governs Medicare spending on physician services with the goal of containing spending in this area. The formula does not accurately reflect physician services or beneficiary utilization rates; and as such, physicians are scheduled to receive a significant reduction in reimbursement for treating Medicare beneficiaries in 2007 and beyond. The committee recognizes the need to modernize and stabilize physician payment, and urges the Congress to review the SGR payment system, and to determine a fair short-term solution for physician reimbursement in 2007, as well as a long-term solution that will fix payment update protocols so the Congress need not address the payment issue annually as was needed in 2006 to avoid the scheduled 4.4 percent reduction in reimbursement as dictated by the SGR. Improvements in quality may also be realized while updating the payment system, payment for performance initiatives have been examined by some House committees, and the committee recommends that quality improvement initiatives be included in any physician payment update to ensure Medicare beneficiaries receive the best possible care.

PHYSICAL THERAPY CAPS

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

LOCK AND DAM MODERNIZATION

The committee anticipates enactment during calendar year 2006 of the Water Resources Development Act of 2005, including the authorization of lock modernization on the Upper Mississippi River and Illinois Waterway. Sixty percent of the nation's agricultural exports are transported through these locks every year. However, improvements to this infrastructure are needed to maintain the international competitiveness of the country's agricultural sector. As such, the committee notes that the budget resolution provides funding to meet this need and encourages the Congress to take the steps required to improve our inland waterway infrastructure.

METHAMPHETAMINE PROGRAMS

Methamphetamine usage, production and trafficking have become a serious problem in the United States, particularly in Midwestern and Western states. This highly addictive drug has caused irreparable harm to families and children. State and Local Law Enforcement and Drug Task Forces have been instrumental in the war on drugs and in particular, ongoing efforts to eliminate methamphetamine production, trafficking and use. Accordingly, the committee is supportive of the Community Oriented Policing Services and Byrne Justice Assistance Grants programs.

KIDNEY CARE

The Medicare program covers vital kidney dialysis treatments for patients who are afflicted with End Stage Renal Disease [ESRD]. Unlike other Medicare providers, dialysis providers do not receive an annual payment update for their services. ESRD patients are dependent on this care, and in the interest of both better health outcomes and avoiding costs associated with unnecessary hospital stays, the committee urges Congress to ensure that Medicare payment policy for ESRD care preserves patient access to these important services. Further, the committee urges review of the impact on patient care that the lack of an automatic annual payment update for dialysis services has had on beneficiaries.

GLOBAL AIDS

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

PROGRAM ASSESSMENT RATING TOOL

In 2001, the administration began to assess the government's programs with a consistent methodology, which is known as the Program Assessment Rating Tool [PART]. The administration has used the PART evaluations to assess almost 1,000 programs and have used these assessments to assist in the formulation of the President's Budget.

The PART evaluations help assess the performance and management of programs in order to ensure that performance is maximized with limited tax dollars. The evaluation process provides a meaningful insight into programs' ability to accomplish its intended missions and highlights modifications that can be made to improve performance. Information gathered during the PART process can assist in making the Federal Government more efficient and less costly to the American taxpayer.

The administration also launched ExpectMore.gov, a new website that provides access to the PART assessments in formats that are easy-to-understand and search.

The Committee on the Budget recommends that Congress make use of this information in authorization, appropriations, and oversight of program management and performance.

ACCOUNTS IDENTIFIED FOR ADVANCE APPROPRIATIONS

Elk Hills (89 5428 02 271)

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

Other Matters To Be Discussed Under the Rules of the House

COMMITTEE ON THE BUDGET OVERSIGHT FINDINGS AND RECOMMENDATIONS

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

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Clause 3(c)(2) of rule XIII 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

Earlier this month, the Senate increased the debt ceiling by $781 billion. This marked the fourth time in five years that Congress has raised the ceiling to make room for the Bush Administration's budgets. Those four increases total $3.015 trillion.

Republicans Increase the Debt Limit by **$3 Trillion**

Debt Limit Increases, Billions of Dollars

June 2002	$450
May 2003	$984
November 2004	$800
March 2006	$781
Total Increases	$3,015

When President Bush took office in 2001, the national debt was $5.7 trillion. By the end of next year, the national debt will rise to $9.3 trillion—up 66% in six years. At this rate, the Bush Administration will almost double the national debt by the end of its eight-year term.

Another Record Deficit

The Five Largest Deficits in History

Rank	Year	Deficit
1st	2004	-$412 Billion
2nd	2003	-$378 Billion
3rd	2006	-$372 Billion
4th	2007	-$348 Billion
5th	2005	-$318 Billion

Prepared by the Democratic Staff of the House Budget Committee Source: CBO

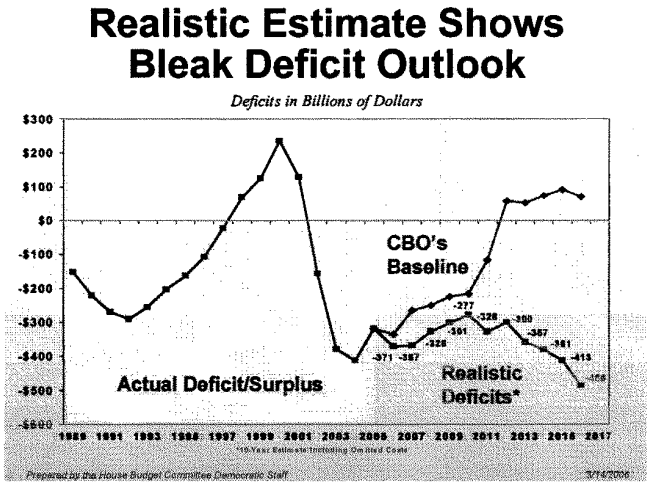
You can blame these dismal results on terrorism, recession, and war, but in truth, they come from a fiscal policy that says we can have guns, butter, and tax cuts, and ignore the deficits.

This budget resolution is an extension of the same policy. It is a bridge to nowhere. It holds no plan or prospect for balancing the budget.

The figures in this budget claim a unified deficit this year of $372 billion, declining to about $160 billion in 2011. That implies a linear reduction on to balance between 2011 and 2016. But between 2006 and 2011, this budget makes major omissions. One omission is a long-term fix to the Alternative Minimum Tax (AMT). Another omission is some provision for the cost of war in Iraq and Afghanistan, beyond the $50 billion provided in the budget for

2007. The Congressional Budget Office (CBO) estimates the five-year cost is $224 billion, assuming redeployment to moderate levels, with 40,000 troops left in the theater. And, of course, unlike the President's budget, this budget includes nothing to implement the President's proposal to partially privatize Social Security. If Republicans support privatizing Social Security, then the budget resolution should reflect those costs. Furthermore, in the years beyond 2011, the impact of the tax cuts passed in 2001 and 2003, fully phased in, will have a profound, very costly effect, which this budget avoids by ending its forecast in 2011.

This budget stands in stark contrast to the budgets of the Clinton Administration. The First Bush Administration left the Clinton Administration a deficit of $290 billion, which at the time was a record. Every year thereafter for eight straight years the bottom line of the budget got better. By 1998 the budget was in balance for the first time in 30 years. By 2000, the budget was running a surplus of $236 billion. President Bush took office the next year with an advantage no president in recent times has enjoyed: a budget in surplus—big-time surplus. His economists looked out ten years, and saw nothing but surpluses, $5.6 trillion in all over ten years.



Democrats implored the President not to bet the budget on a blue-sky forecast, for if the rosy scenario did not materialize, we would find ourselves deep in deficit again. We also warned that while we might be sitting on an island of surpluses, we were surrounded by a sea of red ink, long-term liabilities for Social Security and Medicare—liabilities so large that if we kept books on an accrual basis, there would be no surplus.

The President overlooked these factors, and so did Republicans in Congress, and thus five years later, the federal government faces record deficits. This budget and the President's budget show deficits diminishing over time, but when the projections on which they are based are adjusted for reality—when they include, for example, deployment costs for troops past 2007 and a long-term fix to the

AMT—the resulting deficits grow larger and larger and are close to $500 billion by 2016.

These enormous deficits and mounting debt could not come at a worse time. Seventy-seven million baby boomers are marching to their retirement starting in 2008, and we should not be running up debt but saving to be ready for their retirement.

In the name of deficit reduction, this budget resolution does cut deeply into critical government services, but the cuts come mostly in services that people depend upon. The cuts hurt, but make barely a dent in the deficit. For example—

- Education—This budget cuts funding by $45.3 billion below current services over the next five years. This budget matches the President's request for education appropriations, which is $2.2 billion less for 2007 than last year's comparable level. Presumably, this means that the budget funds "No Child Left Behind" at $15 billion below the authorized level and that the budget eliminates 42 education programs, including eliminating the Perkins vocational education program and recalling federal contributions to colleges' Perkins loan revolving funds.
- Community and Regional Development—This budget provides $4.3 billion less than current services over the next five years.
- Veterans—This budget provides $6.0 billion less than current services over the next five years. True, it raises discretionary spending for 2006 by $2.6 billion over current services but it cuts funding for Function 700 (Veterans) for 2008 by $59 million below current services, and by increasing amounts in subsequent years, culminating in a cut of $4.0 billion by 2011.
- Natural Resources and Environment—This budget provides $25.0 billion less than current services over the next five years and imposes a $2.9 billion cut for next year alone.
- Health Care—This budget provides $18.1 billion less than current services over the next five years.

Most of the cuts in this resolution fall on domestic spending, and will never be sufficient to resolve the deficit because all such discretionary spending amounts to about $375 billion, about the size of the budget deficit.

President's Tax Agenda Costs $3 Trillion

Revenue Effects Only	Cost:	$1,667 Billion
	Interest:	$276.3 Billion
Outlay Effects	Cost:	$74.1 Billion
	Interest:	$10.6 Billion
AMT Repair *(Minus President's 1-Year Patch)*	Cost:	$843.8 Billion
	Interest:	$166.1 Billion
Revenue Effects, Outlay Effects & AMT Repair	Cost:	$2,585 Billion
	Interest:	$453 Billion
Total Deficit (2006-2016):		**$3.038 Trillion**

Prepared by the Democratic Staff of the House Budget Committee Source: *President's Budget* 2/8/06

In addition, all of this budget's spending cuts are like last year's "Deficit Reduction Act." At the end of last year, Republicans managed to pass reductions of about $40 billion in mandatory spending, but during the year, the House passed $122 billion in a sundry assortment of tax cuts, so that the net effect was not to reduce the deficit but to increase it by about $80 billion.

By the same token, Republicans have a pending agenda of tax cut renewals, revisions, and new tax cuts, which total $3.038 trillion, and which will add to the deficit over 2006–2016.

Despite these cuts, this budget protects substantial spending for certain purposes. Defense is increased by $150 billion over current services, not including supplemental appropriations. The budget continues Medicare subsidies close to $60 billion for managed care providers of Medicare even though they are supposed to save Medicare money, not cost more. What's more, this resolution leaves standing the most indefensible feature of the whole Medicare prescription drug law, namely, the provision that prohibits the government from negotiating prices. No one knows exactly how much savings the taxpayers are mission out on because of that prohibition, but clearly the negotiation of drug prices could save a lot of money.

In our Budget Committee markup, Democrats proposed amendments that aimed to correct or mitigate some of these flaws and shortcomings, but nearly every amendment was rejected on a party-line vote. And that's truly a shame, because until we all sit at the same table, and put everything on the table, we will not resolve the deficits that plague this budget and our nation.

JOHN SPRATT.
DENNIS MOORE.
RICHARD E. NEAL.
ROSA L. DELAURO.
CHET EDWARDS.
HAROLD E. FORD.
LOIS CAPPS.
BRIAN BAIRD.

JIM COOPER.
ARTUR DAVIS.
WILLIAM J. JEFFERSON.
TOM ALLEN.
ED CASE.
C. MCKINNEY.
HENRY CUELLAR.
ALLYSON Y. SCHWARTZ.
RON KIND.

109TH CONGRESS

2D SESSION

H. CON. RES. 376

Establishing the congressional budget for the United States Government for fiscal year 2007 and setting forth appropriate budgetary levels for fiscal years 2008 through 2011.

CONCURRENT RESOLUTION

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

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2007.

(a) DECLARATION.—The Congress declares that this is the concurrent resolution on the budget for fiscal year 2007, including appropriate budgetary levels for fiscal years 2008 through 2011.

(b) TABLE OF CONTENTS.—

Sec. 1. Concurrent resolution on the budget for fiscal year 2007.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.
Sec. 102. Major functional categories.

TITLE II—RECONCILIATION

Sec. 201. Reconciliation in the House of Representatives.

TITLE III—RESERVE FUNDS

Sec. 301. Reserve fund for the disposal of underutilized Federal real property.
Sec. 302. Reserve fund for Secure Rural Schools and Community Self-Determination Act Reauthorization.
Sec. 303. Reserve fund for calendar year 2007 alternative minimum tax relief.
Sec. 304. Reserve fund for the National Flood Insurance Program to meet outstanding claims for flood damage in the Gulf.
Sec. 305. Reserve fund for the reform of the regulation of government-sponsored enterprises.

TITLE IV—BUDGET ENFORCEMENT

Sec. 401. Restrictions on advance appropriations.
Sec. 402. Overseas contingency operations.
Sec. 403. Exemption of avian bird flu response.
Sec. 404. Application and effect of changes in allocations and aggregates.
Sec. 405. Adjustments to reflect changes in concepts and definitions.
Sec. 406. Compliance with section 13301 of the Budget Enforcement Act of 1990.
Sec. 407. Exercise of rulemaking powers.
Sec. 408. Treatment of allocations in the House.
Sec. 409. Budgetary treatment of the National Flood Insurance Program.
Sec. 410. Adjustments for tax legislation.

TITLE V—EMERGENCY RESERVE FUND

Sec. 501. Nondefense reserve fund for emergencies.
Sec. 502. Emergency criteria.
Sec. 503. Development of guidelines for application of emergency definition.
Sec. 504. Committee notification of emergency legislation.
Sec. 505. Up-to-date tabulations.

TITLE VI—SENSE OF CONGRESS

Sec. 601. Sense of Congress on long-term budgeting.
Sec. 602. Sense of Congress on closing the tax gap to reduce the deficit.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2007 through 2011:

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

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

Fiscal year 2007: $1,780,666,000,000.
Fiscal year 2008: $1,913,598,000,000.
Fiscal year 2009: $2,011,187,000,000.
Fiscal year 2010: $2,122,195,000,000.
Fiscal year 2011: $2,212,263,000,000.

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

Fiscal year 2007: $38,933,000,000.
Fiscal year 2008: $8,178,000,000.
Fiscal year 2009: $20,384,000,000.
Fiscal year 2010: $13,782,000,000.
Fiscal year 2011: $144,808,000,000.

(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 2007: $2,283,168,000,000.
Fiscal year 2008: $2,332,477,000,000.
Fiscal year 2009: $2,425,877,000,000.
Fiscal year 2010: $2,526,722,000,000.
Fiscal year 2011: $2,649,340,000,000.

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

Fiscal year 2007: $2,323,835,000,000.
Fiscal year 2008: $2,364,246,000,000.
Fiscal year 2009: $2,434,492,000,000.
Fiscal year 2010: $2,524,225,000,000.
Fiscal year 2011: $2,640,257,000,000.

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

Fiscal year 2007: $543,169,000,000.
Fiscal year 2008: $450,648,000,000.
Fiscal year 2009: $423,305,000,000.
Fiscal year 2010: $402,030,000,000.
Fiscal year 2011: $427,994,000,000.

(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 2007: $9,180,000,000,000.
Fiscal year 2008: $9,741,000,000,000.
Fiscal year 2009: $10,272,000,000,000.
Fiscal year 2010: $10,778,000,000,000.
Fiscal year 2011: $11,304,000,000,000.

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

Fiscal year 2007: $5,326,000,000,000.
Fiscal year 2008: $5,574,000,000,000.
Fiscal year 2009: $5,778,000,000,000.
Fiscal year 2010: $5,943,000,000,000.
Fiscal year 2011: $6,118,000,000,000.

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2007 through 2011 for each major functional category are:

(1) National Defense (050):

Fiscal year 2007:
(A) New budget authority, $512,901,000,000.
(B) Outlays, $534,858,000,000.

Fiscal year 2008:
(A) New budget authority, $484,661,000,000.
(B) Outlays, $505,516,000,000.

Fiscal year 2009:
(A) New budget authority, $504,753,000,000.
(B) Outlays, $505,874,000,000.

Fiscal year 2010:
(A) New budget authority, $514,858,000,000.
(B) Outlays, $512,573,000,000.

Fiscal year 2011:
(A) New budget authority, $525,781,000,000.
(B) Outlays, $524,894,000,000.

(2) International Affairs (150):

Fiscal year 2007:
(A) New budget authority, $31,216,000,000.
(B) Outlays, $34,270,000,000.

Fiscal year 2008:
(A) New budget authority, $34,206,000,000.
(B) Outlays, $33,410,000,000.

Fiscal year 2009:
(A) New budget authority, $34,178,000,000.
(B) Outlays, $33,275,000,000.

Fiscal year 2010:
(A) New budget authority, $33,869,000,000.
(B) Outlays, $33,093,000,000.

Fiscal year 2011:
(A) New budget authority, $34,293,000,000.
(B) Outlays, $32,717,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 2007:
(A) New budget authority, $25,938,000,000.
(B) Outlays, $25,108,000,000.

Fiscal year 2008:
(A) New budget authority, $27,146,000,000.

(B) Outlays, $26,083,000,000.

Fiscal year 2009:

(A) New budget authority, $28,193,000,000.

(B) Outlays, $27,135,000,000.

Fiscal year 2010:

(A) New budget authority, $29,410,000,000.

(B) Outlays, $28,263,000,000.

Fiscal year 2011:

(A) New budget authority, $30,689,000,000.

(B) Outlays, $29,483,000,000.

(4) Energy (270):

Fiscal year 2007:

(A) New budget authority, $2,262,000,000.

(B) Outlays, $915,000,000.

Fiscal year 2008:

(A) New budget authority, $2,688,000,000.

(B) Outlays, $703,000,000.

Fiscal year 2009:

(A) New budget authority, $2,317,000,000.

(B) Outlays, $913,000,000.

Fiscal year 2010:

(A) New budget authority, $2,190,000,000.

(B) Outlays, $867,000,000.

Fiscal year 2011:

(A) New budget authority, $2,094,000,000.

(B) Outlays, $711,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 2007:

(A) New budget authority, $29,650,000,000.

(B) Outlays, $33,038,000,000.

Fiscal year 2008:

(A) New budget authority, $28,833,000,000.

(B) Outlays, $30,756,000,000.

Fiscal year 2009:

(A) New budget authority, $29,238,000,000.

(B) Outlays, $30,285,000,000.

Fiscal year 2010:

(A) New budget authority, $28,687,000,000.

(B) Outlays, $29,724,000,000.

Fiscal year 2011:

(A) New budget authority, $28,595,000,000.

(B) Outlays, $29,313,000,000.

(6) Agriculture (350):

Fiscal year 2007:

(A) New budget authority, $27,356,000,000.

(B) Outlays, $26,782,000,000.

Fiscal year 2008:

(A) New budget authority, $25,205,000,000.

(B) Outlays, $24,564,000,000.

Fiscal year 2009:

(A) New budget authority, $24,512,000,000.

(B) Outlays, $23,829,000,000.

Fiscal year 2010:

(A) New budget authority, $23,370,000,000.

(B) Outlays, $22,560,000,000.

Fiscal year 2011:

(A) New budget authority, $23,011,000,000.

(B) Outlays, $22,281,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 2007:

(A) New budget authority, $16,518,000,000.

(B) Outlays, $8,049,000,000.

Fiscal year 2008:

(A) New budget authority, $13,178,000,000.

(B) Outlays, $7,997,000,000.

Fiscal year 2009:

(A) New budget authority, $13,278,000,000.

(B) Outlays, $7,987,000,000.

Fiscal year 2010:

(A) New budget authority, $17,062,000,000.

(B) Outlays, $8,857,000,000.

Fiscal year 2011:

(A) New budget authority, $11,866,000,000

(B) Outlays, $5,390,000,000.

(8) Transportation (400):

Fiscal year 2007:

(A) New budget authority, $78,258,000,000.

(B) Outlays, $75,774,000,000.

Fiscal year 2008:

(A) New budget authority, $81,283,000,000.

(B) Outlays, $78,557,000,000.

Fiscal year 2009:

(A) New budget authority, $72,878,000,000.

(B) Outlays, $78,329,000,000.

Fiscal year 2010:

(A) New budget authority, $72,926,000,000.

(B) Outlays, $77,828,000,000.

Fiscal year 2011:

(A) New budget authority, $73,477,000,000.

(B) Outlays, $77,833,000,000.

(9) Community and Regional Development (450):

Fiscal year 2007:

(A) New budget authority, $15,942,000,000.

(B) Outlays, $31,345,000,000.

Fiscal year 2008:

(A) New budget authority, $12,917,000,000.

(B) Outlays, $25,443,000,000.

Fiscal year 2009:

(A) New budget authority, $12,981,000,000.

(B) Outlays, $21,661,000,000.

Fiscal year 2010:

(A) New budget authority, $12,988,000,000.

(B) Outlays, $17,777,000,000.

Fiscal year 2011:

(A) New budget authority, $13,218,000,000.

(B) Outlays, $13,680,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 2007:
(A) New budget authority, $84,849,000,000.
(B) Outlays, $87,530,000,000.
Fiscal year 2008:
(A) New budget authority, $84,140,000,000.
(B) Outlays, $85,316,000,000.
Fiscal year 2009:
(A) New budget authority, $83,989,000,000.
(B) Outlays, $83,273,000,000.
Fiscal year 2010:
(A) New budget authority, $83,393,000,000.
(B) Outlays, $82,575,000,000.
Fiscal year 2011:
(A) New budget authority, $83,343,000,000.
(B) Outlays, $82,597,000,000.

(11) Health (550):
Fiscal year 2007:
(A) New budget authority, $275,750,000,000.
(B) Outlays, $274,299,000,000.
Fiscal year 2008:
(A) New budget authority, $289,867,000,000.
(B) Outlays, $290,959,000,000.
Fiscal year 2009:
(A) New budget authority, $310,193,000,000.
(B) Outlays, $308,548,000,000.
Fiscal year 2010:
(A) New budget authority, $326,949,000,000.
(B) Outlays, $326,707,000,000.
Fiscal year 2011:
(A) New budget authority, $348,509,000,000.
(B) Outlays, $347,074,000,000.

(12) Medicare (570):
Fiscal year 2007:
(A) New budget authority, $382,803,000,000.
(B) Outlays, $388,276,000,000.
Fiscal year 2008:
(A) New budget authority, $413,350,000,000.
(B) Outlays, $413,417,000,000.
Fiscal year 2009:
(A) New budget authority, $443,331,000,000.
(B) Outlays, $443,022,000,000.
Fiscal year 2010:
(A) New budget authority, $472,962,000,000.
(B) Outlays, $473,238,000,000.
Fiscal year 2011:
(A) New budget authority, $523,267,000,000.
(B) Outlays, $523,305,000,000.

(13) Income Security (600):
Fiscal year 2007:
(A) New budget authority, $356,761,000,000.
(B) Outlays, $362,086,000,000.
Fiscal year 2008:
(A) New budget authority, $371,174,000,000.
(B) Outlays, $374,267,000,000.

Fiscal year 2009:
(A) New budget authority, $381,732,000,000.
(B) Outlays, $384,278,000,000.
Fiscal year 2010:
(A) New budget authority, $391,682,000,000.
(B) Outlays, $393,209,000,000.
Fiscal year 2011:
(A) New budget authority, $406,687,000,000.
(B) Outlays, $406,960,000,000.

(14) Social Security (650):
Fiscal year 2007:
(A) New budget authority, $16,922,000,000.
(B) Outlays, $16,922,000,000.
Fiscal year 2008:
(A) New budget authority, $18,814,000,000.
(B) Outlays, $18,814,000,000.
Fiscal year 2009:
(A) New budget authority, $20,694,000,000.
(B) Outlays, $20,694,000,000.
Fiscal year 2010:
(A) New budget authority, $22,866,000,000.
(B) Outlays, $22,866,000,000.
Fiscal year 2011:
(A) New budget authority, $26,480,000,000.
(B) Outlays, $26,480,000,000.

(15) Veterans Benefits and Services (700):
Fiscal year 2007:
(A) New budget authority, $74,627,000,000.
(B) Outlays, $73,944,000,000.
Fiscal year 2008:
(A) New budget authority, $76,925,000,000.
(B) Outlays, $77,200,000,000.
Fiscal year 2009:
(A) New budget authority, $77,814,000,000.
(B) Outlays, $77,982,000,000.
Fiscal year 2010:
(A) New budget authority, $78,232,000,000.
(B) Outlays, $78,264,000,000.
Fiscal year 2011:
(A) New budget authority, $82,398,000,000.
(B) Outlays, $82,249,000,000.

(16) Administration of Justice (750):
Fiscal year 2007:
(A) New budget authority, $42,795,000,000.
(B) Outlays, $43,621,000,000.
Fiscal year 2008:
(A) New budget authority, $42,908,000,000.
(B) Outlays, $43,578,000,000.
Fiscal year 2009:
(A) New budget authority, $43,454,000,000.
(B) Outlays, $43,716,000,000.
Fiscal year 2010:
(A) New budget authority, $43,816,000,000.
(B) Outlays, $43,903,000,000.

Fiscal year 2011:
(A) New budget authority, $44,862,000,000.
(B) Outlays, $44,492,000,000.

(17) General Government (800):
Fiscal year 2007:
(A) New budget authority, $18,981,000,000.
(B) Outlays, $18,873,000,000.
Fiscal year 2008:
(A) New budget authority, $18,332,000,000.
(B) Outlays, $18,318,000,000.
Fiscal year 2009:
(A) New budget authority, $18,365,000,000.
(B) Outlays, $18,099,000,000.
Fiscal year 2010:
(A) New budget authority, $18,250,000,000.
(B) Outlays, $18,020,000,000.
Fiscal year 2011:
(A) New budget authority, $18,479,000,000.
(B) Outlays, $18,213,000,000.

(18) Net Interest (900):
Fiscal year 2007:
(A) New budget authority, $354,079,000,000.
(B) Outlays, $354,079,000,000.
Fiscal year 2008:
(A) New budget authority, $383,499,000,000.
(B) Outlays, $383,499,000,000.
Fiscal year 2009:
(A) New budget authority, $405,709,000,000.
(B) Outlays, $405,709,000,000.
Fiscal year 2010:
(A) New budget authority, $427,371,000,000.
(B) Outlays, $427,371,000,000.
Fiscal year 2011:
(A) New budget authority, $449,114,000,000.
(B) Outlays, $449,114,000,000.

(19) Allowances (920):
Fiscal year 2007:
(A) New budget authority, $4,145,000,000.
(B) Outlays, $3,493,000,000.
Fiscal year 2008:
(A) New budget authority, −$7,922,000,000.
(B) Outlays, −$5,752,000,000.
Fiscal year 2009:
(A) New budget authority, −$7,252,000,000.
(B) Outlays, −$5,918,000,000.
Fiscal year 2010:
(A) New budget authority, −$7,384,000,000.
(B) Outlays, −$6,882,000,000.
Fiscal year 2011:
(A) New budget authority, −$7,539,000,000.
(B) Outlays, −$7,282,000,000.

(20) Undistributed Offsetting Receipts (950):
Fiscal year 2007:
(A) New budget authority, −$68,585,000,000.

(B) Outlays, −$69,427,000,000.
Fiscal year 2008:
(A) New budget authority, −$68,727,000,000.
(B) Outlays, −$68,399,000,000.
Fiscal year 2009:
(A) New budget authority, −$74,480,000,000.
(B) Outlays, −$74,199,000,000.
Fiscal year 2010:
(A) New budget authority, −$66,775,000,000.
(B) Outlays, −$66,588,000,000.
Fiscal year 2011:
(A) New budget authority, −$69,284,000,000.
(B) Outlays, −$69,247,000,000.

TITLE II—RECONCILIATION

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS TO PROVIDE FOR THE CONTINUED REFORM OF MANDATORY SPENDING.—(1) Not later than May 12, 2006, 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 deficit by $55,000,000 for the period of fiscal years 2007 through 2011.

(B) COMMITTEE ON ARMED SERVICES.—The House Committee on Armed Services shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $175,000,000 for the period of fiscal years 2007 through 2011.

(C) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $1,323,000,000 for the period of fiscal years 2007 through 2011.

(D) COMMITTEE ON FINANCIAL SERVICES INSTRUCTION TO TRIGGER RELEASE OF FLOOD INSURANCE RESERVE FUND TO COVER ADDITIONAL CLAIMS IN THE GULF REGION.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $400,000,000 for the period of fiscal years 2007 through 2011.

(E) COMMITTEE ON INTERNATIONAL RELATIONS.—The House Committee on International Relations shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $250,000,000 for the period of fiscal years 2007 through 2011.

(F) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $500,000,000 for the period of fiscal years 2007 through 2011.

(G) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the deficit by $50,000,000 for the period of fiscal years 2007 through 2011.

(H) 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 $4,000,000,000 for the period of fiscal years 2007 through 2011.

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

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

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

TITLE III—RESERVE FUNDS

SEC. 301. RESERVE FUND FOR THE DISPOSAL OF UNDERUTILIZED FEDERAL REAL PROPERTY.

If the Committee on Government Reform of the House reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that enhances the Government's real property disposal authority and generates discretionary savings, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates by the amount provided by that measure for that purpose, but not to exceed $25,000,000 in new budget authority and outlays flowing therefrom for fiscal year 2007, and $25,000,000 in new budget authority and outlays flowing therefrom for the period of fiscal years 2007 through 2011.

SEC. 302. RESERVE FUND FOR SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT REAUTHORIZATION.

In the House, after the filing of a rule that provides for the consideration of any bill or joint resolution or whenever any bill or joint resolution is placed on any calendar, or if an amendment is offered to or conference report is submitted on any bill or joint resolution that provides for the reauthorization of the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393), then the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to

the extent that such legislation would not increase the deficit for the period of fiscal years 2007 through 2011.

SEC. 303. RESERVE FUND FOR CALENDAR YEAR 2007 ALTERNATIVE MINIMUM TAX RELIEF.

If the Committee on Ways and Means reports a bill, or an amendment is offered thereto or a conference report is submitted thereon, that would increase the exemption amounts specified in section 55(d)(1) of the Internal Revenue Code of 1986 with respect to taxable years beginning in calendar year 2007, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates for fiscal year 2007 to the extent that such legislation would not reduce revenues below the aggregate level of revenues provided in section 101(1)(A) for the period of fiscal years 2007 through 2011.

SEC. 304. RESERVE FUND FOR THE NATIONAL FLOOD INSURANCE PROGRAM TO MEET OUTSTANDING CLAIMS FOR FLOOD DAMAGE IN THE GULF.

If the Committee on Financial Services of the House reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that—

(1) establishes more actuarially sound rates on policies issued by the National Flood Insurance Program; and

(2) phases out flood insurance subsidies on pre-FIRM structures not used as primary residences;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates by the amount provided by that measure for the purpose of liquidating the National Flood Insurance Fund's remaining contractual obligations resulting from claims made as a result of floods that occurred in 2005, but not to exceed $3,325,000,000 in new budget authority for fiscal year 2007 for that purpose. Such adjustments may also be made if the reforms set forth in paragraphs (1) and (2) have been enacted prior to the consideration of the measure referred to in this section.

SEC. 305. RESERVE FUND FOR THE REFORM OF THE REGULATION OF GOVERNMENT-SPONSORED ENTERPRISES.

In the House, if—

(1) the Committee on Financial Services of the House reports a bill or joint resolution, or if an amendment is offered thereto or a conference report is submitted thereon, that reforms the regulation of certain housing-related Government-sponsored enterprises; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and the period of fiscal years 2007 through 2011.

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) ADVANCE APPROPRIATION.—In the House, an advance appropriation may be provided for the fiscal years 2008 and 2009 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 $23,565,000,000 in new budget authority in each year.

(c) DEFINITION.—In this section, the term "advance appropriation" means any new budget authority provided in a bill or joint resolution making general appropriations or any new budget authority provided in a bill or joint resolution making continuing appropriations for fiscal year 2007 that first becomes available for any fiscal year after 2007.

SEC. 402. OVERSEAS CONTINGENCY OPERATIONS.

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if any bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes appropriations for fiscal year 2007 for contingency operations directly related to the global war on terrorism, and other unanticipated defense-related operations, then the new budget authority, new entitlement authority, outlays, or receipts resulting therefrom shall not count for purposes of titles III or IV of the Congressional Budget Act of 1974.

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

SEC. 403. EXEMPTION OF AVIAN BIRD FLU RESPONSE.

In the House, if any bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes appropriations for fiscal year 2007 to combat avian flu, increase local preparedness, and develop a vaccine to innoculate the United States population, then the new budget authority, new entitlement authority, or outlays resulting therefrom shall not count for purposes of titles III or IV of the Congressional Budget Act of 1974, but the total amount so exempt shall not exceed $2,300,000,000.

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, including adjustments necessary, and in the House separate allocations, to reflect the timing of responses to reconciliation directives pursuant to section 201 of this resolution.

SEC. 405. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.

Upon the enactment of a bill or joint resolution providing for a change in concepts or definitions, the appropriate chairman of the Committee on the Budget shall make adjustments to the levels and allocations in this resolution in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002).

SEC. 406. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House and the Senate, 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. 407. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other

rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that house) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 408. TREATMENT OF ALLOCATIONS IN THE HOUSE.

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

(b) DISPLAY OF COMMITTEE ALLOCATIONS.—An allocation to a committee under section 302(a) of the Congressional Budget Act of 1974 may display an amount to reflect a committee's instruction under the reconciliation process, but it shall not constitute an allocation within the meaning of section 302 of such Act. Any deficit reduction achieved in a reconciliation bill submitted pursuant to title II of this resolution shall not be included in current levels of new budget authority and outlays for purposes of enforcing an allocation under 302(a) of such Act.

SEC. 409. BUDGETARY TREATMENT OF THE NATIONAL FLOOD INSURANCE PROGRAM.

(a) TREATMENT.—For purposes of the allocations and aggregates in this resolution, the reconciliation directives established by this resolution, and for any other purpose under titles III and IV of the Congressional Budget Act of 1974, the budgetary effects of any bill or joint resolution, amendment thereto, or conference report thereon, or any recommendations submitted pursuant to section 201 that includes the reforms set forth in subsection (b) shall be scored without regard to the obligations resulting from the enactment of Public Law 109-208. Such estimate shall assume the liquidating of the National Flood Insurance Fund's remaining contractual obligations resulting from claims made as a result of floods that occurred in 2005.

(b) LEGISLATION.—The legislation referred to in subsection (a) shall—

(1) establish more actuarially sound rates on policies issued by the National Flood Insurance Program; and

(2) end flood insurance subsidies on pre-FIRM structures not used as primary residences.

SEC. 410. ADJUSTMENTS FOR TAX LEGISLATION.

In the House, if the Committee on Ways and Means reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that amends the Internal Revenue Code of 1986 by extending the expiration dates for Federal tax policies that expired during fiscal year 2006 or that expire during the period of fiscal years 2007 through 2011, then the chairman of the Committee on the Budget may make appropriate adjustments in the allocations and aggregates of budget authority, outlays, and revenue set forth in this resolution to reflect the budgetary effects of such legislation, but only to the extent the adjust-

ments would not cause the level of revenue to be less than the level of revenue provided for in this resolution for the period of fiscal years 2007 through 2011 and would not cause the deficit to exceed the appropriate level of deficits provided for in this resolution for the period of fiscal years 2007 through 2011.

TITLE V—EMERGENCY RESERVE FUND

SEC. 501. NONDEFENSE RESERVE FUND FOR EMERGENCIES.

(a) NONDEFENSE RESERVE FUND.—In the House and except as provided by subsection (b), if a bill or joint resolution is reported, or an amendment is offered thereto (or considered as adopted) or a conference report is filed thereon, that provides new budget authority (and outlays flowing therefrom), and such provision is designated as an emergency pursuant to this section, the chairman of the Committee on the Budget shall make adjustments to the allocations and aggregates set forth in this resolution up to the amount of such provisions if the requirements set forth in section 504 are met, but the sum of all adjustments made under this section shall not exceed $4,348,000,000 for fiscal year 2007 or $4,348,000,000 for the period of fiscal years 2007 through 2011.

(b) ADJUSTMENTS IN EXCESS OF THE RESERVE FUND.—In the House, before any adjustment is made pursuant to this title for any bill, joint resolution, or conference report is considered that designates a provision an emergency, the enactment of which would cause the total amount in the reserve fund for either fiscal year 2007 or for the period of fiscal years 2007 through 2011 to be exceeded:

(1) The chairman of the Committee on the Budget shall convene a meeting of that committee, where it shall be in order, subject to the terms set forth in this section, for one motion described in paragraph (2) to be made to authorize the chairman to make adjustments above the maximum amount of adjustments set forth in subsection (a).

(2) The motion referred to in paragraph (1) shall be in the following form: "I move that the chairman of the Committee on the Budget be authorized to adjust the allocations and aggregates set forth in the concurrent resolution on the budget for fiscal year 2007 by the following amounts: $____ for fiscal year 2007 and $____ for fiscal years 2007 through 2011.", with the blanks being filled in with amounts determined by the chairman of the Committee on the Budget, but which shall not exceed the total amount for fiscal year 2007 or for such period of fiscal years, as applicable, designated as emergencies in the measure referred to in this section, in excess of the applicable amount remaining in the reserve fund.

(3) The motion set forth in paragraph (2) shall be open for debate and amendment, but any amendment offered thereto is only in order if limited to amending the amounts for fiscal year 2007 or for the period of fiscal years 2007 through 2011.

(4) Except as provided by paragraph (5), the chairman of the Committee on the Budget may not make any adjustments under this title unless or until the committee filing a report or

joint statement of managers on a conference report on a measure including an emergency designation fulfills the terms set forth in section 504.

(5) The chairman of the Committee on the Budget shall make any adjustments he deems necessary under this title if he determines the enactment of the provision or provisions designated as an emergency is essential to respond to an urgent and imminent need, the chairman determines the exceptional circumstances referred to in rule 3 of the rules of the committee are met and the committee cannot convene to consider the motion referred to in this section in a timely fashion.

(c) APPLICATION OF ADJUSTMENTS.—The adjustments made pursuant to subsection (a) or (b) shall—

(1) apply while that bill, joint resolution, conference report or amendement is under consideration;

(2) take effect upon the enactment of that legislation; and

(3) be published in the Congressional Record as soon as practicable.

SEC. 502. EMERGENCY CRITERIA.

As used in this title:

(1) The term "emergency" means a situation that—

(A) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

(B) is unanticipated.

(2) The term "unanticipated" means that the underlying situation is—

(A) Sudden, which means quickly coming into being or not building up over time;

(B) Urgent, which means a pressing and compelling need requiring immediate action;

(C) Unforeseen, which means not predicted or anticipated as an emerging need; and

(D) Temporary, which means not of a permanent duration.

SEC. 503. DEVELOPMENT OF GUIDELINES FOR APPLICATION OF EMERGENCY DEFINITION.

In the House, as soon as practicable after the adoption of this resolution, the chairman of the Committee on the Budget shall, after consultation with the chairmen of the applicable committees, and the Director of the Congressional Budget Office, prepare guidelines for application of the definition of an emergency and publish such guidelines in the Congressional Record, and may issue any committee print from the Committee on the Budget for this or other purposes.

SEC. 504. COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.

(a) COMMITTEE NOTIFICATION.—Whenever a committee of the House (including a committee of conference) reports any bill or joint resolution that includes a provision designated as an emergency pursuant to this title, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution)

shall identify all provisions that provide amounts designated as an emergency and shall provide an explanation of the manner in which the provision meets the criteria set forth in section 502.

(b) CONGRESSIONAL RECORD.—If such a measure is to be considered by the House without being reported by the committee of jurisdiction, then the committee shall cause the explanation to be published in the Congressional Record as soon as practicable.

SEC. 505. UP-TO-DATE TABULATIONS.

The Committee on the Budget of the House shall publish in the Congressional Record up-to-date tabulations of amounts remaining in the reserve fund set forth in section 501, or authorized in excess thereof, as soon as practicable after the enactment of such amounts designated as emergencies.

TITLE VI—SENSE OF CONGRESS

SEC. 601. SENSE OF CONGRESS ON LONG-TERM BUDGETING.

It is the sense of Congress that the determination of the congressional budget for the United States Government and the President's budget request should include consideration of the Financial Report of the United States Government, especially its information regarding the Government's net operating cost, financial position, and long-term liabilities.

SEC. 602. SENSE OF CONGRESS ON CLOSING THE TAX GAP TO REDUCE THE DEFICIT.

It is the sense of Congress that any revenues increases achieved through recovery of taxes legally owed to the U.S. Treasury but not actually paid, the so-called "tax gap", shall be dedicated entirely to reducing the deficit and the accumulated debt, and not to financing additional spending.

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