

OMB FINAL SEQUESTRATION REPORT TO THE
PRESIDENT AND CONGRESS FOR FISCAL YEAR 1997

COMMUNICATION

FROM

THE OFFICE OF MANAGEMENT AND
BUDGET, THE DIRECTOR

TRANSMITTING

OMB'S FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND
CONGRESS FOR FISCAL YEAR 1997—RECEIVED IN THE UNITED
STATES HOUSE OF REPRESENTATIVES NOVEMBER 15, 1996, PUR-
SUANT TO PUB. L. 101-508, SEC. 13101(a) (104 STAT. 1388-587)



FEBRUARY 4, 1997.—Referred to the Committee on the Whole House on
the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

39-011

WASHINGTON : 1997



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 15, 1996

THE DIRECTOR

Honorable Newt Gingrich
Speaker of the House of Representative
Washington, DC 20515

Dear Mr. Speaker:

Enclosed please find the *OMB Final Sequestration Report to the President and Congress for fiscal year 1997*. OMB has prepared it in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), the Budget Enforcement Act of 1990 (Public Law 101-508), and the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66).

As required by law, the report includes updates of the discretionary spending limits, a summary of enacted legislation affecting direct spending and receipts, and comparisons with the estimates provided by the Director of the Congressional Budget Office in her report. The report finds that no sequestration is required.

While the Omnibus Budget Reconciliation Act of 1993 requires that the attached report be submitted 15 days after the end of the legislative session, the Omnibus Consolidated Appropriations Act of 1997 requires that pay-as-you-go balances for 1997 be removed from the scorecard the day after this report is submitted. In order to assure that the 1997 balances in next year's preview report would in fact be zero, OMB waited to issue this report until all pay-as-you-go legislation had been sent to the Executive Branch and acted upon by the President. The balances which will be removed from the scorecard effective tomorrow are shown in Table 6 of this report.

Sincerely,

Franklin D. Raines
Director

Enclosure

Identical Letters Sent to The President
and Honorable Albert Gore

OMB FINAL SEQUESTRATION REPORT
TO THE PRESIDENT AND CONGRESS
FOR FISCAL YEAR 1997



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET



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OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 15, 1996

The President
The White House
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GENERAL NOTES

1. All years referred to are fiscal years unless otherwise noted.
2. Details in the tables and text may not add to totals due to rounding.

I. OVERVIEW

The Budget Enforcement Act of 1990 (BEA) was enacted as part of the Omnibus Budget Reconciliation Act of 1990. The BEA established, through fiscal 1995, (1) annual limits, or "caps," on discretionary spending, (2) a pay-as-you-go requirement that legislation affecting direct spending or receipts not increase the deficit, and (3) maximum annual deficit amounts. An across-the-board reduction of non-exempt spending, known as "sequestration," enforces compliance with these constraints. The Omnibus Budget Reconciliation Act of 1993 extended, through 1998, BEA requirements for discretionary spending and pay-as-you-go legislation.

The BEA requires that, during the year, OMB issue reports about whether legislative action on discretionary spending and pay-as-you-go legislation would, at that point, trigger a sequester. This final sequestration report covers the second session of the 104th

Congress, which ended on October 4, 1996. The estimates in this report reflect all legislation enacted and signed into law by the President through November 12, 1996. There are no additional bills awaiting Presidential signature. As the BEA requires, the estimates rely on the same economic and technical assumptions as in the *Budget of the United States Government—Supplement*, transmitted to Congress on March 19, 1996.

As explained later, action to date on appropriations and direct spending or receipts does not trigger a sequester:

- Enacted 1996 and 1997 discretionary appropriations, both budget authority and outlays, are within the caps.
- Total pay-as-you-go legislation enacted to date has lowered the deficit by \$7.5 billion for fiscal 1996 and 1997 combined.

II. DISCRETIONARY SEQUESTRATION REPORT

Generally speaking, discretionary programs are those funded annually through the appropriations process. The BEA limits budget authority and outlays available for discretionary programs, and scorekeeping guidelines that accompany the BEA identify which accounts have these discretionary resources. Appropriations that cause a breach in the budget authority or outlay caps trigger a sequester to eliminate that breach. However, the law does not require that Congress appropriate the full amount available under the discretionary caps. Table 1 summarizes changes to the caps since they were set in 1990.

Adjustments to discretionary limits.—Table 2 shows how adjustments permitted under section 251(b) of the BEA affect the discretionary caps.

Section 251(b)(1) authorizes adjustments for changes in inflation estimates from those in the House Conference Report on the 1994 Budget Resolution and for changes in concepts and definitions. These adjustments were made in the sequestration Preview Report in the President's 1997 Budget and are included in the Preview Report limits in Table 2.

Section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. Table 2 includes adjustments due to legislation enacted to date. The section 251(b)(2) adjustments include:

- **Continuing Disability Review funding.**—Funding for additional continuing disability reviews (CDRs), including CDRs and redeterminations required by welfare reform, under the heading "Limitation on Administrative Expenses" for the Social Security Administration. Adjustments are limited to the budget authority and outlay estimates authorized in P.L. 104-121, the Contract with America Advancement Act and in P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (Welfare Reform bill). CDRs are

conducted to verify that recipients of Social Security disability insurance benefits and Supplemental Security Income benefits for persons with disabilities are still eligible.

- **Emergency appropriations.**—Funding for amounts that the President designates as "emergency requirements" and that Congress so designates in statute. Since the President submitted the budget in March, Congress has enacted emergency supplemental appropriations requested for Department of Defense operations associated with the NATO-led Bosnia Peace Implementation Force (IFOR), for Operation Deny Flight, and for civilian implementation of the Dayton Peace accords. Congress also enacted emergency supplemental appropriations to help assist Israel's counterterrorism initiatives and for drought relief.

As part of its final action on 1997 appropriations bills, Congress enacted much of what the President requested as emergency spending for anti-terrorism, counterterrorism, and security efforts in this country and abroad, as well as for damage caused by Hurricanes Fran and Hortense.

Further, the President has authorized the release of additional emergency appropriations that were previously enacted, including those for the Department of Health and Human Services to support needs arising from the cold weather experienced during the winter, for emergency firefighting requirements, and for other natural disasters, including severe winter flooding in the Pacific Northwest and the blizzard and subsequent flooding in the Northeast. On November 12, 1996, the President released \$202 million of contingent emergency appropriations that were enacted as part of the FY 1997 Omnibus Consolidated Appropriations bill. These funds will be used primarily to strengthen counterterrorism activities and to enhance drug control programs and activities.

The BEA also provides special allowances for budget authority and outlays. For budget authority, two separate allowances were possible for 1995 (together with an adjustment for outlays associated with one of the allowances, calculated by using spendout rates contained in the BEA). For 1994 through 1998, the BEA also provides for an additional budget authority allowance that equals 0.1 percent of the adjusted limit on total discretionary budget authority for the budget year.

Another possible adjustment is the special outlay allowance. For 1996 through 1998, the allowances equal 0.5 percent of the adjusted discretionary outlay limit and would be available to permit more discretionary spending if a technical estimating difference between OMB and CBO would prompt a sequester. Given the level of discretionary spending that was enacted, OMB does not anticipate the need to use these allowances under the caps.

Status of 1996 discretionary appropriations.—Table 3 summarizes the status of enacted 1996 discretionary appropriations, relative to the discretionary caps. Enacted budget authority and outlays are within the caps.

Status of 1997 discretionary appropriations.—Table 4 shows OMB scoring of the 1997 appropriations bills. Enacted budget authority and outlays are within the discretionary caps.

Comparison of OMB and CBO discretionary limits.—Section 254(d)(5) of the BEA requires that this report explain the dif-

ferences between OMB and CBO estimates for discretionary spending caps. Table 5 compares OMB and CBO caps for 1996 through 1998. CBO uses the discretionary caps from OMB's August 20, 1996 Update report as a starting point for adjustments in its final sequestration report.

For 1997, CBO's estimates of the general purpose discretionary caps are higher than OMB's. This is due to the fact that CBO adjusts its caps upward by the amount of contingent emergency appropriations enacted by the Congress. CBO estimates that \$566 million in budget authority and \$416 million in outlays were enacted as contingent emergency appropriations in 1997. CBO counts these appropriations as emergency spending in its cap adjustment because no further action by the Congress is needed to make them available. OMB would score those contingent emergency appropriations and associated outlays when they are released by the President. A cap adjustment would be made subsequent to that release. On November 12, 1996, the President released \$202 million of the estimated \$565 million in contingent emergency appropriations provided in the 1997 bill. A cap adjustment of \$202 million in budget authority and \$153 million in outlays is reflected in this report.

OMB and CBO have slightly different estimates of how emergency funding enacted will affect outlays for 1996 through 1998. These are primarily small technical differences in outlay spendout rates.

Table 1. SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS
(In billions of dollars)

| | | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1991-98 |
|--|----|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| TOTAL DISCRETIONARY | | | | | | | | | | |
| Statutory Caps as set in OBRA 1990 ¹ and OBRA 1993 | BA | 491.7 | 503.4 | 511.5 | 510.8 | 517.7 | 519.1 | 528.1 | 530.6 | 4,113.0 |
| | OL | 514.4 | 524.9 | 534.0 | 534.8 | 540.8 | 547.3 | 547.3 | 547.9 | 4,291.4 |
| Adjustments for changes in concepts and definitions. | BA | | 7.7 | 8.2 | 8.2 | 8.8 | -0.6 | -0.4 | -0.5 | 31.4 |
| | OL | | 1.0 | 2.4 | 2.3 | 3.0 | -0.5 | -2.6 | -2.7 | 2.9 |
| Adjustments for changes in inflation. | BA | | -0.5 | -5.1 | -9.5 | -11.8 | 3.0 | 2.6 | 4.2 | -17.1 |
| | OL | | -0.3 | -2.5 | -5.8 | -8.8 | 1.8 | 2.3 | 3.4 | -9.8 |
| Adjustments for credit reestimates, IRS funding, debt forgiveness, IMF, and CDRs | BA | 0.2 | 0.2 | 13.0 | 0.6 | 0.7 | 0.1 | 0.2 | 0.1 | 15.0 |
| | OL | 0.3 | 0.3 | 0.8 | 0.8 | 0.9 | 0.1 | 0.3 | 0.1 | 3.6 |
| Adjustments for emergency requirements. ... | BA | 0.9 | 8.3 | 4.6 | 12.2 | 7.7 | 5.1 | 1.6 | | 40.4 |
| | OL | 1.1 | 1.8 | 5.4 | 9.0 | 10.1 | 6.4 | 5.4 | 1.7 | 40.9 |
| Adjustment pursuant to Sec. 2003 of P.L. 104-19 ¹ | BA | | | | | -15.0 | -0.1 | -0.1 | | -15.1 |
| | OL | | | | | -1.1 | -3.5 | -2.4 | -1.5 | -8.5 |
| Adjustments for special allowances: | | | | | | | | | | |
| Discretionary new budget authority | BA | | 3.5 | 2.9 | 2.9 | 2.9 | | | | 12.1 |
| | OL | | 1.4 | 2.2 | 2.6 | 2.7 | 1.1 | 0.5 | 0.1 | 10.7 |
| Outlay allowance | BA | | | | | | | | | |
| | OL | 2.6 | 1.7 | 0.5 | 1.0 | | | | | 5.7 |
| Subtotal, adjustments excluding Desert Shield/Desert Storm | BA | 1.1 | 19.2 | 23.6 | 14.3 | -6.7 | 7.5 | 4.0 | 3.7 | 66.8 |
| | OL | 3.9 | 5.9 | 8.8 | 10.0 | 6.8 | 5.5 | 3.6 | 1.1 | 45.6 |
| Adjustments for Operation Desert Shield/Desert Storm | BA | 44.2 | 14.0 | 0.6 | * | * | | | | 58.8 |
| | OL | 33.3 | 14.9 | 7.6 | 2.8 | 1.1 | | | | 59.6 |
| Total adjustments | BA | 45.4 | 33.2 | 24.2 | 14.3 | -6.7 | 7.5 | 4.0 | 3.7 | 140.7 |
| | OL | 37.2 | 20.8 | 16.4 | 12.8 | 7.8 | 5.5 | 3.6 | 1.1 | 113.7 |
| Update Report spending limits ² | BA | 537.1 | 536.6 | 535.7 | 525.1 | 511.0 | 526.7 | 532.0 | 534.4 | 4,238.6 |
| | OL | 551.6 | 545.7 | 550.4 | 547.6 | 548.6 | 552.7 | 551.0 | 549.0 | 4,396.5 |

* \$50 million or less.

¹P.L. 104-19, Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-Terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred at Oklahoma City, and Rescissions Act, 1995, was signed into law on July 27, 1995. Section 2003 of that bill directed the Director of OMB to make a downward adjustment in the discretionary spending limits for 1995-1998 by the aggregate amount of the estimated reductions in new budget authority and outlays for discretionary programs resulting from the provisions of the bill, other than emergency appropriations.

²Reflects combined General Purpose Discretionary and Violent Crime Reduction Trust Fund Discretionary spending limits.

Table 2. **DISCRETIONARY SPENDING LIMITS**
(In millions of dollars)

| | | 1994 | 1995 | 1996 | 1997 | 1998 |
|--|----|---------|---------|---------|---------|---------|
| GENERAL PURPOSE DISCRETIONARY | | | | | | |
| Total General Purpose Discretionary spending limits, March 19, 1996 Preview Report | BA | 525,146 | 508,546 | 520,730 | 525,306 | 528,857 |
| | OL | 547,559 | 547,930 | 549,289 | 545,254 | 543,750 |
| August 20, 1996 Update Report Adjustments: | | | | | | |
| Emergency Supplemental Appropriations (P.L. 104-122) | BA | | | 198 | | |
| | OL | | | 79 | 119 | * |
| Emergency Supplemental Appropriations (P.L. 104-134) | BA | | | 656 | | |
| | OL | | | 681 | 15 | -116 |
| Contingent Emergency Appropriation Released (P.L. 104-180) | BA | | | 32 | | |
| | OL | | | 3 | 29 | |
| Other Contingent Emergency Appropriations Released | BA | | | 489 | | |
| | OL | | | 256 | 138 | 87 |
| Social Security Administration: Continuing Disability Reviews (CDRs) enacted in P.L. 104-134 | BA | | | 15 | | |
| | OL | | | 56 | 4 | |
| Subtotal, Adjustments for the Update Report | BA | | | 1,390 | | |
| | OL | | | 1,075 | 305 | -29 |
| Update Report General Purpose Discretionary Spending Limits | BA | 525,146 | 508,546 | 522,119 | 525,306 | 528,857 |
| | OL | 547,559 | 547,930 | 550,364 | 545,558 | 543,721 |
| Final Sequestration Report Adjustments: | | | | | | |
| Contingent Emergency Appropriations Released | BA | | | 134 | 202 | |
| | OL | | | 36 | 196 | 61 |
| Other Emergency Appropriations: | | | | | | |
| Commerce/Justice/State/Judiciary (P.L. 104-208) | BA | | | | 228 | |
| | OL | | | | 177 | 31 |
| Defense (P.L. 104-208) | BA | | | 123 | 231 | |
| | OL | | | | 206 | 86 |
| Interior (P.L. 104-208) | BA | | | | 367 | |
| | OL | | | | 345 | 21 |
| Labor/HHS/Education (P.L. 104-208) | BA | | | | 29 | |
| | OL | | | | 7 | 13 |
| Treasury/Postal Service (P.L. 104-208) | BA | | | | 145 | |
| | OL | | | | 137 | 8 |
| All Other Titles (P.L. 104-208) | BA | | | | 348 | |
| | OL | | | | 141 | 115 |
| Social Security Administration: Continuing Disability Reviews (CDRs) enacted in P.L. 104-208 | BA | | | | 175 | |
| | OL | | | | 288 | 22 |
| Subtotal, Adjustments for the End-of-Session Report | BA | | | 257 | 1,725 | |
| | OL | | | 36 | 1,497 | 357 |
| Final Sequestration Report General Purpose Discretionary Spending Limits | BA | 525,146 | 508,546 | 522,376 | 527,031 | 528,857 |
| | OL | 547,559 | 547,930 | 550,400 | 547,055 | 544,078 |

Table 2. **DISCRETIONARY SPENDING LIMITS—Continued**
(In millions of dollars)

| | | 1994 | 1995 | 1996 | 1997 | 1998 |
|--|----------|---------|---------|---------|---------|---------|
| VIOLENT CRIME REDUCTION TRUST FUND DISCRETIONARY | | | | | | |
| Total General Purpose Discretionary Spending Limits, March 19, 1996, Preview Report | BA | | 2,423 | 4,287 | 5,000 | 5,500 |
| | OL | | 703 | 2,334 | 3,936 | 4,904 |
| Final Sequestration Report Violent Crime Reduction Trust Fund Discretionary Spending Limits | BA | 2,423 | 4,287 | 5,000 | 5,500 | |
| | OL | 703 | 2,334 | 3,936 | 4,904 | |
| Combined General Purpose and Violent Crime Reduc- tion Trust Fund Discretionary Spending Limits | BA | 525,146 | 510,969 | 526,663 | 532,031 | 534,357 |
| | OL | 547,559 | 548,633 | 552,734 | 550,991 | 548,982 |

* \$500 thousand or less.

Table 3. **STATUS OF 1996 DISCRETIONARY
APPROPRIATIONS**
(In millions of dollars)

| | BA | Outlays |
|---|---------|---------|
| GENERAL PURPOSE DISCRETIONARY SPENDING | | |
| Adjusted discretionary spending limits | 522,376 | 550,400 |
| Total enacted | 488,398 | 536,095 |
| VIOLENT CRIME REDUCTION TRUST FUND | | |
| Adjusted discretionary spending limits | 4,287 | 2,334 |
| Total enacted | 4,086 | 2,114 |
| TOTAL DISCRETIONARY | | |
| Adjusted discretionary spending limits | 526,663 | 552,734 |
| Total enacted | 492,484 | 538,209 |
| Appropriations over/under (-) spending limits | -34,179 | -14,525 |

Table 4. SUMMARY OF 1997 APPROPRIATIONS ACTION
(In millions of dollars)

| | BA | Outlays |
|---|----------------|----------------|
| GENERAL PURPOSE DISCRETIONARY | | |
| Agriculture, Rural Development | 13,359 | 13,778 |
| Commerce, Justice, State and the Judiciary | 22,235 | 22,082 |
| Defense | 244,081 | 242,103 |
| District of Columbia | 719 | 719 |
| Energy and Water Development | 19,999 | 19,823 |
| Foreign Operations | 12,261 | 13,181 |
| Interior and Related Agencies | 13,105 | 13,546 |
| Labor, HHS, Education ¹ | 71,014 | 71,769 |
| Legislative Branch | 2,173 | 2,167 |
| Military Construction | 9,983 | 10,320 |
| Transportation and Related Agencies | 12,370 | 35,367 |
| Treasury, Postal Service and General Government | 11,896 | 11,903 |
| Veterans Affairs, HUD, Independent Agencies | 64,510 | 78,247 |
| Total General Purpose Discretionary ² | 497,705 | 535,005 |
| Estimated end-of-session discretionary caps | 527,031 | 547,055 |
| CONGRESSIONAL ACTION OVER/UNDER (-) CAPS | -29,326 | -12,050 |
| VIOLENT CRIME REDUCTION TRUST FUND DISCRETIONARY | | |
| Commerce, Justice, State and the Judiciary | 4,525 | 3,563 |
| Labor, HHS, Education | 61 | 41 |
| Transportation and Related Agencies | | |
| Treasury, Postal Service and General Government | 97 | 93 |
| Veterans Affairs, HUD, Independent Agencies | | |
| Total Violent Crime Reduction Trust Fund | 4,683 | 3,697 |
| Estimated end-of-session discretionary caps | 5,000 | 3,936 |
| CONGRESSIONAL ACTION OVER/UNDER (-) CAPS | -317 | -239 |

Notes:

^{*} \$500 thousand or less.

¹ Includes \$175 million in budget authority and \$288 million in outlays for funding for continuing disability reviews, which results in a cap adjustment of equal amounts.

² Budget authority and outlays from emergency appropriations enacted or released since the March Budget are included in OMB's final scoring, as follows:

| | BA | Outlays |
|---|--------------|--------------|
| Agriculture | 40 | 114 |
| Commerce, Justice, State and the Judiciary | 317 | 259 |
| Defense | 231 | 323 |
| Energy and Water Development | 19 | 85 |
| Foreign Operations | | 143 |
| Interior | 367 | 433 |
| Labor, HHS, Education | 29 | 80 |
| Military Construction | | 9 |
| Transportation and Related Agencies | 289 | 232 |
| Treasury, Postal Service | 256 | 250 |
| Veterans Affairs, HUD, Independent Agencies | | -422 |
| Total, emergency spending | 1,550 | 1,506 |

Table 5. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

| | 1996 | 1997 | 1998 |
|---|---------|---------|---------|
| GENERAL PURPOSE DISCRETIONARY | | | |
| CBO End-of-Session Report limits: | | | |
| BA | 522,376 | 527,395 | 528,857 |
| OL | 550,384 | 547,359 | 544,116 |
| OMB End-of-Session Report limits: | | | |
| BA | 522,376 | 527,031 | 528,857 |
| OL | 550,400 | 547,055 | 544,078 |
| Difference: | | | |
| BA | | 364 | |
| OL | -16 | 304 | 38 |
| VIOLENT CRIME REDUCTION TRUST FUND DISCRETIONARY | | | |
| CBO End-of-Session Report limits: | | | |
| BA | 4,287 | 5,000 | 5,500 |
| OL | 2,334 | 3,936 | 4,904 |
| OMB End-of-Session Report limits: | | | |
| BA | 4,287 | 5,000 | 5,500 |
| OL | 2,334 | 3,936 | 4,904 |
| Difference: | | | |
| BA | | | |
| OL | | | |
| TOTAL DISCRETIONARY | | | |
| CBO End-of-Session Report limits: | | | |
| BA | 526,663 | 532,395 | 534,357 |
| OL | 552,718 | 551,295 | 549,020 |
| OMB End-of-Session Report limits: | | | |
| BA | 526,663 | 532,031 | 534,357 |
| OL | 552,734 | 550,991 | 548,982 |
| Difference: | | | |
| BA | | 364 | |
| OL | -16 | 304 | 38 |

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement covers all direct spending and receipts legislation. The BEA defines direct spending as entitlement authority, the food stamp program, and budget authority provided by law other than in appropriation acts. The following are exempt from pay-as-you-go enforcement: Social Security, the Postal Service, legislation specifically designated as an emergency requirement, and legislation fully funding the Government's commitment to protect insured deposits.

The law requires that, in total, receipts and direct spending legislation not increase the deficit. If such legislation does increase the deficit, and if the President and Congress do not fully offset it by other legislative savings, the law requires that a sequester of direct spending programs offset the increase. The President and Congress can use the net savings enacted for one year to offset net increases in the next year.

The BEA requires that, within five days after the enactment of direct spending or receipts legislation, OMB submit a report to Congress that estimates the resulting change in outlays or receipts for each year through 1998. The estimates, which must rely on the economic and technical assumptions underlying the most recent President's Budget, determine whether the pay-as-you-go requirement is met. The pay-as-you-go process requires that OMB maintain a "scorecard" that shows the cumulative deficit impact of such legislation, beginning with the 102nd Congress.

Table 6 presents OMB estimates of pay-as-you-go legislation enacted during the second session of the 104th Congress. Through November 12, 1996, enacted pay-as-you-go legislation had, in total, lowered the deficit by \$7.5 billion for fiscal 1996 and 1997 combined. Therefore no sequestration for direct spending

programs is required for 1997. The table also shows the CBO estimate for each Act as it was reported in CBO's pay-as-you-go bill reports, and it presents CBO's official end-of-session estimates of pay-as-you-go legislation in total.

Required Adjustments.—Section 4001 of the Omnibus Consolidated Appropriations Act of 1997 requires that the pay-as-you-go balances for 1997 available the day after release of this report be reduced to zero if such balance for the fiscal year is not an increase in the deficit. As of November 12, balances for 1997 total \$6.3 billion. A reduction in this amount will be effective the day after submission of this report. (The calculation is shown in Table 6.) Thus, \$6.3 billion in savings will be removed from the PAYGO scorecard and will not be available to offset future legislation.

Comparison with CBO estimates.—The BEA requires that OMB explain differences with CBO estimates of enacted pay-as-you-go legislation. Because CBO uses as its starting point the estimates published in the OMB *Sequestration Update Report to the President and Congress*, issued on August 20, 1996, the difference is only for legislation enacted since then (that is, since report 335). CBO estimates that legislation enacted since August 1996 has decreased the combined deficits for 1996 and 1997 by \$4.0 billion, \$0.1 less than OMB's estimate. The difference is largely the net effect of differences in pricing out the Small Business Job Protection Act of 1996, the Health Insurance Portability and Accountability Act of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Federal Aviation Authorization Act of 1996, and the Veterans Benefits Improvements Act of 1996. Detail on estimating differences between OMB and CBO is available in the separate reports issued subsequent to enactment of each bill.

(In millions of dollars)

[illegible]

[illegible]

(In millions of dollars)

[illegible]

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF NOVEMBER 12, 1996—
Continued
(In millions of dollars)

| Report Number | Act Number | Act Title | Change in baseline deficit | | | | | | | | | | |
|------------------|------------|---|----------------------------|------|--------|--------|--------|--------|--------|--------|--------|---------|---------------|
| | | | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 1993- 2002 |
| MEMORANDUM | | | | | | | | | | | | | |
| | | Official CBO end-of-session report estimates ¹ | NA | NA | NA | -1,092 | -6,340 | -3,960 | NA | NA | NA | NA | NA |
| ADDENDUM | | | | | | | | | | | | | |
| | | OMB estimate of adjustment required by the Omnibus Con- solidated Appropriations Act | | | | | | 6,301 | | | | | |
| | | OMB estimate of balances with adjustment | -2,696 | -480 | -1,822 | -1,231 | | -3,401 | -6,449 | -8,740 | -9,266 | -11,078 | -44,893 |

Note: Negative numbers represent a decrease in the deficit.

NA: Not available.

¹ Excludes bills that increased or decreased the deficit by less than \$500,000 in each year 1996 through 2002 under both OMB and CBO scoring. These Acts are listed in Table 7 and are included in the totals in this table.

² Adjusts official CBO report estimates to correct for two bills that were inadvertently left out of the CBO report and for one bill estimate that differed from the official (CBO) two-day after report.

Table 7. PAY AS YOU GO LEGISLATION WITH IMPACT OF \$500,000 OR LESS
(In millions of dollars)

| Report Number | Act Number | Act Title |
|---------------|--------------------------|--|
| 308 | P.L. 104-111 (H.R. 2657) | Congressional Medal of Honor for Ruth and Billy Graham |
| 309 | P.L. 104-113 (H.R. 2196) | National Technology Transfer and Advancement Act |
| 310 | P.L. 104-114 (H.R. 927) | Cuban Liberty and Democratic Solidarity Act of 1996 |
| 315 | P.L. 104-128 (H.R. 2969) | Federal Tea Tasters Repeal Act of 1996 |
| 317 | P.L. 104-142 (H.R. 2024) | Mercury-Containing and Rechargeable Battery Management Act |
| 318 | P.L. 104-143 (H.R. 2243) | Trinity River Fish and Wildlife Management Reauthorization Act |
| 319 | P.L. 104-148 (H.R. 1836) | Amagansett National Wildlife Refuge Property Acquisition |
| 320 | P.L. 104-153 (S. 1136) | Anticounterfeiting Consumer Protection Act of 1996 |
| 321 | P.L. 104-155 (H.R. 3525) | Church Arson Prevention Act of 1996 |
| 322 | P.L. 104-158 (H.R. 2437) | Gilpin County (CO) Land Exchange Act |
| 323 | P.L. 104-162 (H.R. 2853) | Extension of Most Favored Nation Status to the Products of Bulgaria |
| 324 | P.L. 104-163 (H.R. 1508) | National Children's Island Act |
| 327 | P.L. 104-165 (H.R. 701) | Sale of Land to the City of Rolla, Missouri |
| 328 | Pvt.L. 104-2 (S.966) | Private Relief for Nathan C. Vance |
| 330 | P.L. 104-170 (H.R. 1627) | Food Quality Protection Act of 1996 |
| 331 | P.L. 104-171 (H.R. 3161) | Most Favored Nation Trade Status for Romania |
| 332 | P.L. 104-174 (H.R. 1114) | Authority for Certain Minors to Load Materials into Balers and Compactors |
| 333 | P.L. 104-178 (H.R. 3215) | Federal Employees Contracting with Indians |
| 334 | P.L. 104-179 (H.R. 3235) | Office of Government Ethics Authorization Act |
| 335 | P.L. 104-182 (S. 1316) | Safe Drinking Water Act Amendments |
| 339 | P.L. 104-192 (H.R. 3670) | War Crimes Act of 1996 |
| 342 | P.L. 104-200 (H.R. 4018) | Technical Corrections to the Federal Oil and Gas Royalty Management Act |
| 344 | P.L. 104-203 (H.R. 1642) | Most Favored Nation Trade Status for Cambodia |
| 346 | P.L. 104-226 (H.R. 2685) | Repeal of the Medicare and Medicaid Coverage Data Bank ¹ |
| 347 | P.L. 104-227 (H.R. 3060) | Antarctic Science, Tourism, and Conservation Act of 1996 |
| 348 | P.L. 104-234 (H.R. 3074) | West Bank and Gaza Strip Trade Benefits |
| 349 | P.L. 104-236 (S. 1675) | Pam Lychner Sexual Offender Tracking and Identification Act of 1996 |
| 350 | P.L. 104-237 (S. 1965) | Comprehensive Methamphetamine Control Act of 1996 |
| 351 | P.L. 104-240 (H.R. 3056) | Medicaid Waiver for Certain Health Insuring Organizations |
| 352 | P.L. 104-246 (H.R. 1791) | Medicaid Technical Corrections Relating to Physicians' Services ¹ |
| 355 | P.L. 104-262 (H.R. 3118) | Veterans Health Care Eligibility Act of 1996 |
| 356 | P.L. 104-263 (H.R. 3458) | Veterans Compensation Cost-of-Living Adjustment Act of 1996 |
| N.A. | P.L. 104-265 (H.R. 3546) | Walhalla National Fish Hatchery Conveyance Act |
| 358 | P.L. 104-267 (H.R. 3871) | Medicaid Waiver for Certain Health Maintenance Organizations |
| 359 | P.L. 104-269 (H.R. 3916) | Distribution of Certain Voice of America and Radio Marti Recordings |
| 360 | P.L. 104-272 (H.R. 4157) | Professional Boxing Safety Act of 1996 |
| 363 | P.L. 104-283 (H.R. 543) | National Marine Sanctuaries Preservation Act |
| 364 | P.L. 104-284 (H.R. 1514) | Propane Education and Research Act of 1996 |
| 365 | P.L. 104-285 (H.R. 1734) | National Film Preservation Act of 1996 |
| 367 | P.L. 104-288 (H.R. 2579) | United States National Tourism Organization Act of 1996 |
| N.A. | P.L. 104-289 (H.R. 2779) | Savings in Construction |
| 369 | P.L. 104-291 (H.R. 3159) | National Transportation Safety Board Amendments of 1996 |
| 370 | P.L. 104-292 (H.R. 3166) | False Statements Accountability Act of 1996 |
| 374 | P.L. 104-301 (S. 1973) | Navajo Hopi Land Dispute Settlement Act of 1996 |
| 375 | P.L. 104-303 (S. 640) | Water Resources Development Act of 1996 |
| 377 | P.L. 104-305 (H.R. 4137) | Drug-Induced Rape Prevention and Punishment Act of 1996 |
| 378 | P.L. 104-307 (S. 2078) | Wildfire Suppression Aircraft Transfer Act of 1996 |
| 381 | P.L. 104-317 (S. 1887) | Federal Courts Improvement Act of 1996 |
| 383 | P.L. 104-320 (H.R. 4194) | Administrative Dispute Resolution Act of 1996 |
| 384 | P.L. 104-323 (S. 342) | Cache La Poudre River Corridor |
| 386 | P.L. 104-326 (S. 1649) | Irrigation Project Contract Extension Act of 1996 |
| 387 | P.L. 104-327 (S. 2183) | Welfare Reform Technical Corrections |
| 389 | P.L. 104-331 (H.R. 3452) | Presidential and Executive Office Accountability Act |
| 390 | P.L. 104-332 (H.R. 4283) | National Invasive Species Act of 1996 |

N.A. Not applicable. CBO scored this Act for pay-as-you-go purposes. OMB did not.

¹ CBO did not score this Act for pay-as-you-go purposes.