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HIGHLIGHTS OF FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1981 (H. CON. RES. 307)

COMPARED WITH

SENATE RESOLUTION AND PRESIDENT'S REVISED BUDGET

COMMITTEE ON THE BUDGET
U.S. HOUSE OF REPRESENTATIVES

PREPARED BY THE STAFF OF THE

COMMITTEE ON THE BUDGET

APRIL 1980

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LETTER OF TRANSMITTAL

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, D.C., April 22, 1980.

DEAR COLLEAGUE: This has been a unique year in the short history of the budget process and we must deal with it in unusual ways. This document is one such way.

Since the First Concurrent Resolution on the Budget for Fiscal Year 1981 was ordered reported by the House Committee on the Budget, the Senate Committee on the Budget has reported its recommendations and the President has himself sent to the Hill a revision of his January budget. The reported Resolution that is awaiting your action and which is $2 billion in surplus was prepared from the President's January recommendations as reestimated by the Congressional Budget Office.

Because of these developments, I have directed the staff of the House Budget Committee to prepare this booklet. In it are some materials which were also contained in the Report accompanying the First Concurrent Budget Resolution for Fiscal Year 1981. In it also are some materials sent to you previously as part of letters from me calling certain facts to your attention.

The purpose, then, of this staff report is to pull these segments together and to update you on action that took place after the filing of our Report. It is an up-to-date report highlighting our recommendations and those of the President and the Senate Budget Committee. I believe you will find it useful in your consideration of H. Con. Res. 307 in the next few days.

Sincerely yours,

ROBERT N. GIAIMO,
Chairman.

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I. THE NEED FOR A BALANCED FEDERAL BUDGET AND THE BUDGET COMMITTEE'S APPROACH

The demand for a balanced budget is broadly based and deeply felt. Thirty State legislatures have passed resolutions in support of a constitutional amendment to require a balanced Federal budget. Businessmen, workers, State and local government officials, farmers, and a host of leading interest groups and organizations, all known for their independent thought and diversity of opinion, agree on one point: The most important immediate action the President and Congress can take to combat rising inflation is to balance the Federal budget. The Committee shares this view and believes that in the First Budget Resolution for Fiscal Year 1981 it has recommended the appropriate response to this demand.

The Committee is fully aware that its target of a balanced budget in fiscal year 1981 will not in and of itself result in an immediate and dramatic reversal of the current inflationary trends. The Committee's recommendation must be viewed in its proper perspective. That is, a balanced budget is the first step which, when taken in conjunction with actions by the President, the Federal Reserve, State and local governments, and the private sector of our economy, will lead us ultimately to a solution of our inflation problems. The desired results will not occur overnight. Solving the inflation problem must be viewed as a long-term undertaking. But for its part past efforts to break the momentum of Federal spending have failed. The time for dramatic action is now.

Balancing the budget is complicated by several factors. First, although there is widespread demand for and support of the necessity for a balanced Federal budget, there is little unanimity of opinion about how it should be done. Second, inflation itself has caused some spending such as entitlement payments that are tied to the Consumer Price Index to increase automatically. Third, defense, which is hit harder by soaring fuel costs than any other function of government, must, at this critical time of international tensions, be allowed a modest real spending growth. Finally, it is manifest that the poor and the disadvantaged must not be made to bear an unfair burden in halting inflation since they already bear too heavily the burden of inflation itself.

Despite these difficulties, the Committee has reached the conclusion that the budget must be balanced by restraint in Federal spending to demonstrate clearly and unmistakably to the American people that the Congress is determined to do its part to reverse the inflationary spiral. Furthermore, it is the firm policy of this Committee in doing so that all segments of our economy affected by fiscal policy must be prepared to share in the restraint in Federal spending necessary to balance the budget. Every function of government has been carefully scrutinized to insure that the Committee's recommendations are fair and reasonable and do not benefit one group at the expense of another.

Said differently, the policy of this Committee is to balance the budget through reductions in Federal spending and not through increases in Federal taxes. The Committee's inclusion of the President's oil import fee, which increases revenues by approximately $10.3 billion, is offset by a recommendation that a targeted productivity anti-inflationary tax reduction be enacted following the implementation of the appropriate spending policy recommended in this resolution. Likewise, the Committee's endorsement of the proposal to subject dividends and interest to withholding is not a new tax but is intended to spread the burden of balancing the budget. We can begin to restore confidence in our fiscal policy only when we restrain spending and achieve a balanced Federal budget. We then can consider major tax reductions and reforms that are consistent with a policy of spending no more than we take in.

The Committee is fully cognizant that the immediate impact of a balanced budget on the economy in terms of the inflation rate may be relatively small. The Committee is convinced, nonetheless, that a balanced budget does make a substantial difference in the manner in which fiscal year policy impacts on our overall economy in the long term. The persistent policy of the Federal Government over the past decade has been to conduct its affairs through deficit financing. Until recently, this has perpetuated in the minds of the American people the notion that we have unlimited resources and can spend our way out of any dilemma. This behavior also has convinced the world community that we are incapable of consistently applying a rational or reasoned fiscal and monetary policy, which is the bulwark of the defense of the value of the dollar. Beyond this, if the current rise in private debt is used as the criterion, individual Americans, in order to "beat" inflation, are following the Federal Government's historic pattern of spending more than they take in. This unproductive and negative psychology and its insidious impact on inflation pressures must be stopped. A balanced budget will be a clear signal to the American people and the world community that this Congress intends to take the appropriate steps to protect the basic structure and integrity of the American economy.

A balanced budget through restraint in spending will also result in the Federal Government draining less and less of our Nation's monetary resources. Ultimately, this action, if continued, should contribute to an alleviation of the current "interest" crisis that is beginning to severely curtail the business community, particularly the housing and automotive industries. The Committee is gravely concerned with the current high rate of interest facing borrowers and the effects of these rates on inflation. The Committee urges the Federal Reserve Board to monitor its current monetary policies closely and to adjust these according to changes in the economy's performance.

To summarize, the challenge the Budget Committee is offering to the House of Representatives is to accept and implement a set of revenue and spending recommendations that would not only balance the budget but create a surplus for the first time in more than a decade. The Committee believes the actions recommended in the First Budget Resolution for Fiscal Year 1981 constitute the appropriate fiscal policy in a comprehensive Federal effort to curb the inflationary pressures in the Nation's economy. It is one important step in the right direction.

A. Spending Policy

The Budget Committee's policy is to balance the budget through restraints in Federal spending, not through increases in taxes.

At the time of its consideration of the First Budget Resolution for Fiscal Year 1981, the Committee had before it the President's budget submitted in January and reestimated by the Congressional Budget Office. These reestimates were based on the economic path adopted by the Committee and reflected the latest information then available on the spending rates of the various departments and agencies. As the following table indicates, the President's January budget, as reestimated, totals $628.3 billion. The Budget Committee recommends total outlays of $611.8 billion resulting in a total outlay reduction of $16.5 billion from the President's January budget reestimated.

Fiscal year 1981 budget outlays

	Billions
President's budget (January 28)	$615. 8
Plus:	
Reestimates due to economic assumptions	7. 6
Reestimates due to programmatic assumptions	5. 1
Equals:	
President's budget reestimated	[1] 628. 3
Budget Committee's total outlay recommendation	611. 8

[1] Total does not add due to rounding.

During its deliberations the Committee reviewed a variety of budget reduction options including those produced by the Congressional Budget office, the General Accounting Office, and Members of Congress. The Committee decided on an approach that embodied several strategies to achieve restraint in Federal spending as follows:

I. Eliminate certain ongoing and proposed programs.

II. Delay the effective dates for certain new initiatives proposed in the President's budget.

III. Slow down the rate of obligation and expenditure primarily for certain ongoing construction programs.

IV. Target programs better to the people they are intended to benefit.

V. Bring several programs now receiving two cost-of-living adjustments in a year into line with the once-a-year adjustment now applied to social security recipients.

VI. Reduce program levels for certain discretionary programs through the appropriations process.

VII. Tighten the Federal belt through a variety of measures to reduce waste and improve efficiency.

One of the most important considerations of the Committee in its effort to balance the budget through restraint in Federal spending was that the poor and disadvantaged not be unfairly burdened. The Committee believes it has met that objective. Close to half of the budget is composed of entitlement programs, many of which do benefit the poor and the disadvantaged and many of which are automatically adjusted

for inflation. The Committee specifically decided not to target reductions at this block of programs. In fact, the recommendation includes real growth for these programs of over 6 percent, in a budget which overall has a real growth rate of −1.6 percent. Defense is the only other area in the budget which shows real growth.

The Committee's specific recommendations to balance the budget on the remaining target areas were not disproportionately applied to human resources programs, as the following table clearly indicates:

TOTAL COMMITTEE REDUCTIONS FROM PRESIDENT'S JANUARY BUDGET REESTIMATED

[In billions of dollars]

	Amount	Percent
I. State/local assistance:		
● Both general and categorical assistance to State and local governments, such as elimination of State portion of general revenue sharing, the proposed countercyclical program, the Law Enforcement Assistance Grant program, and reduced funding for local public works and economic development	$3.7	22
II. Human resources programs:		
● Delaying the effective dates for new human resources programs such as the Youth Education Employment initiative, the Child Health Assurance program, and welfare reform	1.4	9
● Reform of certain human resources programs such as tightened eligibility and benefits for food stamps, public assistance, and low-income energy assistance, and bringing adjustments in the Food Stamp and Child Nutrition programs into line with the once a year cost-of-living adjustment now applied to social security recipients	1.0	6
● Other reductions in human resources programs such as CETA, education assistance, discretionary health, social services, veterans programs; and termination of unemployment benefits for CETA workers, and the termination of the Youth Conservation Corps program	2.3	14
III. Other reductions:		
● Defense, energy, foreign assistance, natural resources, agriculture; several Federal belt-tightening measures, such as higher pay absorption, a general administrative and operating cost reduction; bringing Federal retirees into line with the once a year cost-of-living adjustment now applied to social security receipients; program slowdowns such as water projects, Federal highways, EPA construction grants, and Strategic Petroleum Reserve; elimination of Saturday and some portion of bulk mail subsidies, and others	8.1	49
Total reductions from President's budget reestimated	16.5	100

Examples of savings from President's January budget (reestimated) recommended by House Budget Committee

[Outlays in millions of dollars]

I. Elimination of programs:	
● Elimination of subsidies for Saturday mail delivery and some portion of subsidy for bulk mail	−836
● Elimination of Youth Conservation Corps	−55
● State share of general revenue sharing	−1,714
● Termination of LEAA grant programs	−100
● Elimination of proposed new initiative of countercyclical assistance	−1,000
● Unemployment benefits for former CETA employees	−200
II. Delay effective dates for new initiatives:	
● Youth education-employment initiative	−150
● Child health assurance program (CHAP)	−360
● Fiscal relief portion of welfare reform	−850
● Medicare-medicaid program expansion	−70
● Inland energy impact assistance	−38
III. Program slowdowns:	
● Slowdown of oil purchase for strategic petroleum reserve	−1,000
● Slowdown of EPA construction grant programs	−100
● Slowdown of water projects	−100
● Slowdown of park lands acquisition	−150
● Reduction in obligation ceiling for Federal highways by about $1 billion in fiscal years 1980 and 1981	−400
● Reduction in funding for local public works and economic development projects	−200

IV. Better targeting:	
• Tightened eligibility for low-income energy assistance	−200
• Elimination of work incentive (WIN)/CETA overlap	−50
• Changes in food stamp eligibility	−130
• Changes in public assistance benefit determination	−221
V. Annual (rather than semiannual) adjustments for inflation:	
• Retirement benefits for Federal civilian and military retirees	−1, 100
• Food stamp program	−300
• Child nutrition program	−75
VI. Other program reductions:	
• CETA funding level	−1, 000
• Department of Defense	−1, 000
• Foreign assistance programs	−400
• Higher education funding	−200
VII. Federal belt-tightening:	
• An across-the-board reduction in operating and administrative costs including a freeze in civilian personnel levels	−1, 000
• Increase civilian pay absorption to reflect levels achieved in recent years	−200
• Delay cost-of-living increases for Members of Congress and other administrative savings in the legislative branch	−61
• Elimination of contingency allowance	−600
• Lower interest payments because deficit is eliminated	−800
• Eliminate waste from Federal purchase of furniture	−200

B. Tax Policy

Once the crucial decision was made that the budget for fiscal year 1981 should not be balanced by legislating new tax increases for either individuals or corporations, the Committee considered the role of tax policy in the context of total fiscal policy options and the economy.

There has been a growing consensus among economists that some tax reduction is inevitable for a wide variety of reasons: To counteract the long-predicted recession, to offset added inflation resulting from oil import fees and decontrol, and to stimulate productivity and hence combat inflation. Some also believe there should be an adjustment in the increasing tax burdens for individuals resulting from inflationary bracket creep. The only questions remaining in the opinions of most are when and how.

The Committee appreciates these viewpoints and indeed shares many of them. Furthermore, it believes it is possible to fashion a tax package which would achieve most of these aims. However, sound fiscal policy dictates that any tax reduction, even a highly targeted one, be part of a balanced budget.

Specifically, to adopt a tax reduction package, no matter how well thought out, before the budget were in balance would serve only to confuse a vital and needed signal. In the committee's opinion, the main value of balancing the budget is the clear signal it would give the financial markets, both foreign and domestic, as well as the consumer and the investor, that the vicious psychological cycle which is fueling inflation has been broken at a central point—the Government's budget. For the first time in 12 years, the budget would be in balance. To create a deficit for any reason, even for tax reduction, would confuse this message. No explanation could undo the damage which would have been done. Given the psychology of the economy, it is the opinion of a majority of this Committee that a tax reduction, no matter how carefully targeted, before the budget is in balance would contribute to inflation. Yet, the goal of tax relief is important to many Members and the commitment to this goal is explicit in this Resolution.

Once the goal of a balanced budget is achieved, the Committee believes the best tax reduction package would be one which offsets inflation, while encouraging productivity. This would not be the time for across-the board, let-the-chips-fall-where-they-may relief. Rather, a majority of the Committee envisions a highly targeted package along the lines of a combination of some form of accelerated depreciation and an offset to the scheduled increase in the payroll tax next January as the responsible way to proceed.

In keeping with its twin objectives of neither balancing the budget through tax increases nor creating a deficit through tax reductions, the Committee is clear in its intent that the proceeds of the President's announced oil import fee be reserved for use in funding the tax package mentioned previously. Not one penny of revenues from this source is intended to be used for balancing the budget.

However, to insure that the battle against inflation is spread equitably throughout the economy and not just on those groups most dependent on Federal grant programs, the Committee endorses a proposal to subject dividends and interest to withholding. While the proposal would generate an additional $3.4 billion in revenues for fiscal year 1981, it would do so not by levying new taxes, but rather by increasing compliance with existing law and speeding up collection initially. Together with the revenues from the President's proposal to speed up the deposit of withheld taxes by corporations, they constitute the only significant additional revenue contribution toward balancing the budget.

If there is any new direction of tax policy that has been given a major boost by balance-the-budget considerations, it is the concept of user fees. It is the opinion of a majority of this Committee, in keeping with the aim of reducing future deficits and lowering the general tax burden, that wherever possible government services which benefit particular groups or businesses in the economy be substantially supported by those beneficiaries rather than the general taxpayer.

C. Reconciliation

The Reconciliation Process

The Congressional Budget Act contemplated that it might be necessary to invoke a procedure, known as reconciliation, in order to implement the policies implicit in a budget resolution. Under the reconciliation process, once Congress has adopted a budget resolution which contains reconciliation instructions, the instructed committees must promptly submit changes to achieve the required increases or reductions. All such increases or decreases are then presented as a single package—a reconciliation bill.

Why does the Budget Committee recommend reconciliation in the First Budget Resolution for Fiscal Year 1981?

Section 310 of the Congressional Budget Act specifically permits implementation of the reconciliation process in the second budget resolution for a given fiscal year. However, due to the necessity of acting quickly and effectively to balance the budget and realizing that there may not be time to act on reconciliation instructions before the end of the Second Session of the 96th Congress, the Committee has recommended the inclusion of reconciliation instructions in the First Budget Resolution.

Section 301(b)(2) of the Budget Act contains the authority for this action. That section provides that the first budget resolution may require any procedure "which is considered appropriate to carry out the purpose of this Act."

The Committee is determined that the Federal budget for fiscal year 1981 will be balanced in fact and not just on paper. If the Congress is to begin the new fiscal year with its books in the black for the first time in over a decade, Congress must act to cut back on existing programs as well as hold the line on budgetary increases.

Due to the necessity of acting quickly and effectively to balance the budget and realizing that there may not be time to act on reconciliation instructions before the end of the Second Session of the 96th Congress, the Committee has included reconciliation instructions in the First Resolution.

Failure to take the steps necessary to realize these legislative savings and new revenues will result in a budget deficit of $29.3 billion rather than a surplus of $2 billion. To insure that the goal of a budget surplus is not illusory, the Committee recommends implementation of two as yet unused procedural devices: the reconciliation process and a procedure whereby certain spending bills would be held at the Speaker's desk rather than being enrolled and sent to the President for signature.

How does the reconciliation process work.

The reconciliation language directs committees to submit reconciliation recommendations to the Budget Committee by June 15, 1980. The Budget Committee will assemble, without any substantive revision, the various measures into one omnibus reconciliation bill. It is the Committee's hope that this reconciliation bill then would be considered promptly and adopted by the Congress.

Can a budget resolution direct which programs are to be affected?

Although the Committee may suggest certain specific reforms in making its reconciliation recommendations, the standing committees are free to determine what provisions of law will be changed and how those changes will be made. The only requirement is that the committees realize the total amount of savings specified in the reconciliation instructions.

In addition to savings, the Committee can include reconciliation instructions that apply to the House Committee on Ways and Means and Senate Finance with respect to revenue initiatives. This reconciliation language can direct the tax-writing committees to submit recommendations increasing revenues through a variety of reforms. Again, while the Committee can make a number of suggestions as to how those savings could be realized, it is up to the tax-writing committees to determine what specific recommendations should be submitted.

What is the Budget Committee recommending?

Reconciliation instructions contained in the First Budget Resolution for Fiscal Year 1981 direct 8 House authorizing committees and 8 Senate authorizing committees to report legislation saving $9.059 billion in outlays in fiscal year 1981. The following Senate Committees are affected by reconciliation instructions: Armed Services, Finance, Labor and Human Resources, Governmental Affairs, Veterans' Affairs, Environment and Public Works, Commerce, Science and Transportation, and Agriculture, and Nutrition and Forestry. The following House Committees are affected by reconciliation instructions: Ways and Means, Interstate and Foreigh Commerce, Post Office and Civil Service, Veterans Affairs, Public Works and Transportation, Education and Labor, Agriculture, and Armed Services.

[In billions of dollars]

	Budget authority	Outlays
House committee:		
Ways and Means	−717	−1, 869
Interstate and Foreign Commerce	−200	−270
Post Office and Civil Service	−3, 639	[1] −4, 204
Veterans' Affairs	−400	[1] −400
Public Works and Transportation	−150	[1] −550
Education and Labor	−839	−786
Agriculture	−520	[1] −520
Armed Services	−3, 263	−3, 188
Total	[2] −6, 925	[2] −9, 059
Senate committee:		
Armed Services	−460	−460
Finance	−917	−2, 069
Labor and Human Resources	−306	−349
Governmental Affairs	−3, 639	[1] −4, 204
Veterans' Affairs	−400	[1] −400
Environment and Public Works		[1] −400
Commerce, Science and Technology	−150	−150
Agriculture, Nutrition and Forestry	−1, 053	[1] −1, 027
Total	−6, 925	−9, 059

[1] A portion of these sums is spending authority under the Appropriations Committee jurisdiction.
[2] These do not total due to $2,803 in budget authority and $2,728 in outlays referred jointly to the Armed Services and Post Office and Civil Service Committee.

Delayed enrollment of certain spending bills

In addition to recommending implementation of the reconciliation process, the Committee has included language in the budget resolution providing that all spending bills, including both appropriation and entitlement bills, which are reported after enactment of the First Budget Resolution for Fiscal Year 1981 and which exceed the allocation in the budget resolution under section 302(b) of the Budget Act not be enrolled until after the second budget resolution in the fall has been agreed to, and, if additional reconciliation is required in the second budget resolution, until Congress has completed final action on that process. For purposes of determining the status of committee action under the enrollment requirement, the Committee will be implementing a system of tracking bills at various stages prior to enrollment. This will permit those spending bills which are offset by appropriate legislative savings bills both within the same section 302(b) subdivision to proceed to enrollment. Of course, bills which are consistent with the budget resolution targets will be sent to the President for his signature immediately. Legislation already reported from committees will not be subject to deferred enrollment.

Just as the reconciliation process provides a means to realize savings required by changes in existing law, the special enrollment procedure provides a means to insure that targets in the budget resolution are not breached by new appropriation and entitlement bills.

II. MEETING CRITICAL NATIONAL PRIORITIES WITHIN A BALANCED BUDGET: HIGHLIGHTS OF SPENDING PROPOSED IN FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1981

- *Defense*

The Committee recommends $160.8 billion in budget authority and $147.9 billion in outlays for national defense in fiscal year 1981. These amounts represent an increase of $18.3 billion in budget authority and $15.2 billion in outlays from the Committee's proposed fiscal year 1980 level.

The Committee believes that the target established for national defense provides for essential force levels, as well as improved readiness and modernization. For example, procurement programs other than ships are up more than 9 percent in real terms, which is to say above the assumed inflation rate, with Air Force missile procurement about 28 percent higher in real terms than in fiscal year 1980. Research and development is increased by more than 13 percent in real terms with the basic research portion of the program up by 10 percent in real terms.

The Committee was aware from testimony from the Secretary of Defense and from the views and estimates reports submitted by other committees that the President's budget did not adequately provide for fuel costs, increased operations in the Persian Gulf/Indian Ocean area, military pay levels, and increased prices for other purchases. The Committee provided an additional $3.6 billion in outlays above the President's January budget to accommodate a portion of these additional costs. This increase was partially offset by reductions bringing Federal retirees into line with the once a year cost-of-living adjustment now applied to social security recipients, for absorption of a portion of the pay raise and for reductions in the level of purchases, operating and administrative costs.

- *Income security*

The Committee recommendation includes budget authority of $252.1 billion and outlays of $220.1 billion for the Income Security Function. The outlay increase over the recommended level for fiscal year 1980 is $30.1 billion, an increase in real terms of over 5 percent. About two-thirds of this increase is attributable to automatic cost-of-living increases in programs in which benefits are indexed to the cost of living. The largest program with indexed benefits is social security, for which $138.4 billion in outlays is included in the Resolution. While the Committee recognizes that the current Consumer Price Index may not accurately measure the impact of inflation, it would be inequitable to change the rules precipitously when inflation is increasing so rapidly. Therefore, the Resolution assumes no ceiling on cost-of-living increases for programs such as social security and no change in the Consumer Price Index. The Resolution, however, does include a request for the President to submit within 60 days a report on indexing, including his recommendations for the most appropriate measure of inflation.

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The Resolution assumes reform in the frequency of indexing procedures in certain other programs to ensure that all recipients are treated equitably. Under current law, beneficiaries of some programs, including social security, receive annual cost-of-living increases, while beneficiaries of other programs receive two increases a year. The Resolution assumes savings of $0.6 billion in the Income Security Function and $0.5 billion in the National Defense Function by providing annual cost-of-living adjustments in the Federal employee retirement program. In addition, the Resolution assumes $0.4 billion in savings from a similar adjustment in the Food Stamp and Child Nutrition programs.

Within the overall funding constraints which were necessary to achieve a budgetary surplus, the Committee recommends that the amounts assumed in the Income Security Function be sufficient to accommodate increases in programs which meet particularly pressing needs. The Resolution includes an increase of $600 million in funding for the Low-Income Energy Assistance program over the $1.6 billion appropriated in fiscal year 1980. The President's budget includes budget authority of $33.5 billion and outlays of $6.6 billion for subsidized housing and proposes an increase of 25 percent in the number of subsidized housing units. The President's budget includes budget authority of $1.0 billion and outlays of $0.9 billion to allow an increase of 300,000 in the number of low-income women and children who will receive nutrition supplements under the Special Supplemental Food (WIC) program. The Resolution could accommodate these increases. The Resolution also assumes $9.4 billion for the Food Stamp program, which is an increase of $3.1 billion over the ceiling on appropriations imposed by the Food Stamp Act Amendments of 1977.

As part of the effort to balance the budget, a number of program reductions and legislative savings were necessary:

—The Resolution assumes a deferral for one year of the welfare reform proposal approved by the House last year (H.R. 4904) but assumes that savings totaling $600 million could be achieved in fiscal year 1981 by implementing all of the legislative savings proposals in that bill.

—Through improved targeting of benefits on those most in need, the Resolution also assumes legislative savings in the Food Stamp program of $220 million above the savings from annual cost-of-living adjustments.

—The Resolution assumes outlay savings of $432 million from the proposals included in the President's budget for reforms to the School Lunch and Child Nutrition programs, including a reduction of five cents a meal in the subsidy for non-needy children. The Resolution includes $4.7 billion in outlays to continue these programs, however.

—Savings of $200 million are assumed from ending federally financed unemployment benefits for CETA workers who have completed their service under the CETA program.

Neither the President's revised budget nor the Resolution include the major increases for the Trade Adjustment Assistance program, which the Department of Labor now estimates are necessary because of rising unemployment in the automotive industry. While the administration has not yet transmitted a supplemental request, it is currently estimated that an increase of $1 billion in budget authority

and outlays will be needed to keep this entitlement program from running out of funds in May 1980.

- *Energy*

The U.S. is now importing nearly 45 percent of the oil it consumes, and it will probably pay over $90 billion in 1980 for this imported oil. The cost of imported oil has increased eighteenfold since 1972 when the U.S. oil import bill was less than $5 billion. Put a different way, in 1980 the U.S. will have to pay foreigners over 4 percent of its GNP just for the oil it imports. This is an untenable state of affairs. The U.S. will have to take every reasonable step it can to reduce its oil consumption and to increase its production of domestic energy resources.

Toward these ends, the President proposed an ambitious set of budget proposals for fiscal year 1981, with major increases proposed for energy conservation incentive programs, as well as for funding a series of new energy initiatives to help develop biomass/gasohol fuels, additional coal R&D spending, a regional strategic oil products reserve, and a utility oil use reduction bill. The budget, however, also contained major decreases for nuclear fission programs.

While all of these proposals have merit, budget stringencies require that spending on programs throughout the budget be scrutinized. Accordingly, the Resolution recommends decreases of $0.5 billion in budget authority and $1.6 billion in outlays from the President's budget as reestimated by CBO. These reductions include a $1 billion outlay reduction for purchasing oil for the Strategic Oil Reserve (leaving an allowance of $0.3 billion for this purpose); a delay in funding for the President's proposed Spent Nuclear Fuel Act ($0.1 billion in outlays), and a reduction of $500 million in budget authority and $400 million in outlays for a set of ongoing and new energy initiative programs.

Notwithstanding these reductions, the Resolution contains over $4.5 billion in outlays for energy supply programs; almost $1 billion for energy conservation programs; almost $0.5 billion for emergency preparedness programs, and over $1.1 billion for energy information, regulation and policy programs. In addition, the Resolution contains many new tax expenditures for conservation, solar, and other new energy supply purposes that will substantially increase these activities throughout the U.S. economy. For example, the recently enacted windfall profits tax (H.R. 3919) included a new 40 percent residential solar tax credit, an increased business solar tax credit, and an OPEC tax credit, among others. The effect of these direct spending and tax expenditure programs, combined with the increased supply effects of the recently enacted Natural Gas Policy Act and the supply/demand effects of OPEC's severely high oil prices, should yield beneficial energy results for the United States in 1981 and the years ahead.

Also, to supplement these domestic efforts, there are several programs throughout the Federal Government to encourage the discovery and development of new energy supplies around the world, such as those in the Department of Energy, the Agency for International Development, the Overseas Private Investment Corporation, and the Export-Import Bank. Further, with the support of the U.S. Government, the World Bank has recently adopted a program to increase oil exploration and development activities in lesser developed countries throughout the world.

• *Urban programs*

The Committee believes that the Congress must keep its commitment to urban areas, especially those experiencing fiscal distress. However, as Federal budget resources become more limited, the ability of the Federal Government to respond to the needs of States and localities is becoming more constrained. Yet even within the constraints of the balanced 1981 budget the Committee is recommending, there are significant amounts of budget support for the priority needs of urban areas.

The Committee recommends continuation of the $4.6 billion local government share of general revenue sharing. The recommendations for CETA job programs would provide $9.2 billion of budget authority and $8.6 billion of outlays to help solve structural unemployment problems, which are concentrated in our Nation's cities. The 1981 recommendation of the Committee also assumes $3.8 billion of budget authority for Community Development Block Grants and $0.7 billion of budget authority for Urban Development Action Grants. Further, the Committee's recommendations assume $5.0 billion in budget authority for urban mass transportation programs. The President's request for HUD subsidized housing programs ($33.2 billion in budget authority and $5.5 billion in outlays) would be fully accommodated in the Resolution. The housing units subsidized with these funds, along with the support provided through numerous other Federal housing programs, would help provide decent shelter for lower-income families and rehabilitate the decaying housing stock in older urban areas. These are the major Federal programs assisting urban areas.

• *Health*

Health care costs have risen significantly over the last decade and now constitute 9.1 percent of the Gross National Product. The Resolution emphasizes the need for legislative reforms to help slow the rate of growth. In this regard, the Resolution assumes reductions in Federal spending for Medicaid and Medicare of $1.3 billion through reforms that would be enacted by the Ways and Means and Interstate and Foreign Commerce Committees. The Resolution leaves to the discretion of these authorizing committees the specific changes which might be enacted to achieve the savings goals. However, the Committee notes that mandatory hospital cost containment, changes in reimbursement for nursing home care provided in hospitals, and making Medicare coverage secondary to employee health plans for the working elderly and to automobile liability policies are among the potential changes which would help to achieve the goal of lowering health care expenditures.

The Resolution also assumes funding for needed program improvements in the Medicaid and Medicare programs. The Child Health Assurance Program (CHAP) is the most significant of these proposed improvements. CHAP would provide coverage for comprehensive health services to two million children who are not now eligible for Medicaid. In addition, another 100,000 low-income pregnant women would be covered for the first time. The Resolution also assumes a total of $96 million for other improvements in the coverage of services under the Medicaid and Medicare programs.

The Resolution provides $10.0 billion for health programs other than Medicaid and Medicare. Included are health care services and research, education and training of the health care workforce, and

consumer and occupational safety and health activities. This is an increase of $400 million above the current fiscal year 1980 appropriations for such programs. Given the existing budgetary restraints, this is a sufficient increase for these programs, most of which are discretionary.

- *Education*

The Committee recommends $16.4 billion in budget authority and $14.4 billion in outlays for elementary and secondary and higher education programs. These totals include selected funding increases for high priority programs. Included in the total is $9.3 billion for elementary and secondary and vocational education programs. This amount represents an increase of $209 million above the fiscal year 1980 appropriation for ongoing programs and would allow Congress to strengthen its commitment to provide essential supplementary education services for disadvantaged and bilingual speaking children. The totals in the Resolution would provide $1.1 billion to fund the education of the handicapped program. The Committee assumes that this amount, which is $50 million above the fiscal year 1980 appropriation, will maintain the Federal contribution for excess costs at about 12 percent of the average per-pupil expenditure (APPE). The budget increase is necessary since the APPE is expected to increase about 7 percent for academic year 1981–1982. In addition, the Committee anticipates an enrollment increase of about 50,000 more handicapped students.

The recommendation includes $879 million for Headstart and related child development services, an increase of $89 million above fiscal year 1980. This recommendation allows for a modest program expansion and for full coverage of the cost of educating disadvantaged preschool children which now exceeds $2,100 per child.

The recommendation also includes $1.2 billion in budget authority for the youth education-employment initiative, the President's major effort to increase the future employability of disadvantaged and minority teenage youths. The components of this program include basic skills development, work counseling and job training. However, the Committee anticipates that the enactment of the program will occur too late in the year to affect fiscal year 1981 outlays.

For higher education programs overall, the recommendation includes $5.6 billion in budget authority. While the Committee recommends the amounts totaling $1.9 billion included in the President's budget for reform of the guaranteed and national direct loan programs, the Committee does not specifically endorse the administration's reform programs. The Committee assumes the current guaranteed loan program will be modified to eliminate excess interest payments to State lenders of guaranteed loans, to better target loans on needy students and limit Federal costs. The Committee recommendation also assumes that the maximum grant provided to a student under Basic Educational Opportunity Grants program (BEOGs) will be held to $1800.

- *Jobs programs*

The Resolution includes sufficient funding to provide 250,000 structurally unemployed PSE jobs under CETA title II–D, for training approximately 1.3 million structurally economically disadvantaged

youth. In addition, the Committee assumes expansion of the Jobs Corps prorgam to provide 42,600 service years of training, and approximately $400 million in total availability for the title VII private-sector initiatives program to provide training opportunities to over 121,000 persons. Further, the Resolution provides $1.2 billion for the enactment of a new youth initiative to provide for expanded skill and learning training for economically disadvantaged youth. However, the Resolution assumes that late enactment of the authorizing legislation and supplemental appropriations will result in delaying outlays until fiscal year 1982.

The Resolution recommends a reduction of 50,000 jobs from the fiscal year 1980 level for the CETA title VI program to a level of 150,000 jobs, elimination of the welfare reform job demonstration programs under CETA title III, and reductions in the title VIII Young Adult Conservation Corps. The Resolution recommends an overall reduction of $1.1 billion in budget authority and $1.0 billion in outlays for all CETA programs, and a reduction of $60 million in budget authority and $50 million in outlays for WIN program.

- *Social services*

The Resolution assumes full funding of the title XX social services program at the levels agreed to in the conference report on H.R. 3434, the Social Services and Child Welfare Amendments of 1979: $2.7 billion in fiscal year 1980 and $2.9 billion in fiscal year 1981. The Resolution further assumes funding for the expanded child welfare services program at an increase of $107 million, and for older Americans programs at the level requested by the President which is $60 million higher than the amount appropriated in fiscal year 1980.

- *Veterans benefits and services*

The Committee recommendation continues to recognize the important obligation the Federal Government has to persons who have served their country with military service. The Committee recommendation provides $21.7 billion in budget authority and $21.2 billion in outlays to fund compensation payments to veterans with service-connected disabilities, pensions to needy wartime veterans who are disabled, readjustment benefits to Vietnam-era veterans, and hospital and medical care to millions of veterans of all wars. The Committee's recommendation assumes nearly $1 billion to fund a 13 percent cost-of-living adjustment (COLA) in compensation payments to service-disabled veterans and approximately $300 million for a 10 percent cost-of-living increase in GI Bill education benefits. In addition, improvements in the vocational rehabilitation program for veterans with service-connected disabilities are assumed.

The Committee recommendation also assumes $400 million in legislative savings in fiscal year 1981, but the Budget Committee does not tie this amount to particular proposals. Instead, the Committee assumes that the savings can be achieved by a combination of legislative initiatives including the following: Requiring insurance companies to reimburse the VA for medical care provided to insured veterans, pursuing outstanding GI Bill education overpayments more vigorously, eliminating flight and correspondence training which is being used more for recreational purposes than full-time employment as intended, or through other alternatives which the Veterans' Affairs Committee may adopt.

- *Transportation*

The Committee assumes $22.8 billion in budget authority and $19.5 billion in outlays for Federal transportation programs. The Committee believes that the proposed funding level adequately provides for national transportation programs on a priority basis. The recommended funding level provides $9.5 billion in budget authority and $8.5 billion in outlays for Federal aid highway programs. The highway funding level is in general agreement with the spending authority provided for in the Surface Transportation Assistance Act of 1978, the most recent highway authorizing legislation.

The recommended funding level also assumes full funding of the President's January request for mass transportation programs including the mass transportation programs in the President's transportation energy initiative. Total mass transportation funding assumed is $5.0 billion in budget authority. The Committee recommendation also assumes the President's January request for overall funding levels for the air, rail, and water modes. The assumed air, rail and water mode funding levels will fund priority programs in these areas including funding for all transportation safety programs.

- *Space and science*

The Committee recommends $6.7 billion in budget authority and $6.3 billion in outlays for space research and science programs. This represents a 9 percent increase over the fiscal year 1980 funding level and a 25 percent increase over the funding level for fiscal year 1979. Although much of the increase in funding is associated with development and production of the Space Shuttle, there has also been real growth in science and basic research activities. This reflects a strong executive and congressional commitment to sustained Federal support of research and science as a way of assuring increased productivity and the foundation of long-term economic growth. Although the amounts recommended in the Resolution are somewhat less than the amounts proposed by the President in January, the Resolution assumes that in this period of extremely tight fiscal policy, reductions can be made in those space and science activities that least contribute to economic growth and increasing productivity in the short term.

- *Natural resources and environment*

The Committee recommends $12.0 billion in budget authority and $12.4 billion in outlays for natural resources and environmental programs.

Within the recommended total, the Committee assumes $4.0 billion in budget authority and outlays for water resources programs. These programs provide construction, operations and maintenance, and related activities for water resources projects. This work is performed chiefly by the Corps of Engineers, the Soil Conservation Service and the Water and Power Resources Service (formerly the Bureau of Reclamation). While the Committee assumes a reduction of $100 million in budget authority and outlays from the President's request for construction of ongoing projects, it does not make a specific assumption regarding the funding of new starts. The appropriations process can determine whether or not new starts should be funded within the totals recommended by the Committee.

For conservation and land management programs, the Committee assumes about $2 billion in budget authority and outlays. While the Committee considers agricultural conservation programs such as the

Agricultural Conservation Program (ACP) valuable in promoting soil conservation, the Committee believes such programs could be better targeted toward long-term conservation practices. The Committee assumes about $1 billion in budget authority and outlays for Forest Service management, protection and utilization which will provide for needed Federal, State and private research programs, timber sales administration, reforestation, and forest fire protection.

The Committee assumes about $1.5 billion in budget authority and outlays for recreational resources. This includes funding for park land acquisition under the Land and Water Conservation Fund and can accommodate funding for the urban parks grant program and other recreational resources operation and maintenance programs. Also, the Committee assumes nearly $5 billion in budget authority and outlays for pollution control and abatement programs including $3.0 billion for the EPA sewage construction grant program. Finally, the Committee assumes about $1.5 billion in budget authority and outlays for other natural resources programs such as those of the National Oceanic and Atmospheric Administration, the U.S. Geological Survey, the Bureau of Mines, etc.

- *Agriculture*

The Committee recognizes the need for continued strong support for agriculture. It is recognized that agricultural research is sorely needed to meet the increase in food and nutritional needs in the next decade and beyond. Extension services are also very important in providing agricultural information to the public.

As part of its revisions to the Second Concurrent Resolution for Fiscal Year 1980, the Committee recommends increasing outlays in fiscal year 1980 from $2.55 billion to $5.9 billion. This increase is recommended in view of the export grain suspension imposed by the United States against Russia. The administration is expected to alleviate the adverse economic stress farmers might otherwise face in the absence of administrative action. Grain is to be purchased by the Federal Government and loans are to be made to farmers for the storage of their grain.

In fiscal year 1981 many of these loans are expected to be repaid to the Government, thereby reducing outlays. The result is the Committee recommends $5.4 billion in budget authority and $2.3 billion in outlays in fiscal year 1981.

- *Federal pay and retirement*

The Resolution assumes pay raises for current Federal employees and cost-of-living adjustments for retired employees. Federal civilian employees are expected to receive a 6.2 percent pay raise in October, while military personnel would receive a 7.4 percent raise. These raises represent full comparability, assuming passage of the administration's pay reform bill, H.R. 4477. A key aspect of that legislation is to include fringe benefits in the calculation of comparability. Under current law, government salaries are adjusted annually so that they will equal comparable private-sector salaries; with pay reform, Federal salaries would be adjusted so that the sum of Federal pay and benefits equaled the sum of private-sector pay and benefits.

Federal retirees, both military and civilian, would receive a cost-of-living adjustment representing the full increase necessary to keep pace with inflation. However, the Committee assumes that retirees

would get the full adjustment once a year, rather than one-half the adjustment twice a year. Annualizing the cost-of-living adjustment for Federal retirees would place these retirees on the same basis as social security beneficiaries and would result in fiscal year 1981 savings of about $1 billion.

- *Federal Government operations and administrative costs*

The Resolution assumes a general belt-tightening in the operations of all Federal agencies and departments. It is assumed that in this period of restraint and austerity, a general reduction from the President's budget request is appropriate. The reduction totals approximately $1.0 billion, of which $400 million is for the Department of Defense.

The Resolution also assumes administrative cost savings of $61 million in the legislative branch. The Committee assumes the savings would be applied to the expenses of officers, Members' staffs, committee staffs and other offices and organizations in the legislative branch. The Resolution also assumes that Members of Congress and the officers and executive-level staff of the legislative branch will forgo any cost-of-living pay increases in October 1980.

The Committee is aware that Federal agencies and the GSA have seriously mismanaged the purchases of office furniture. The Committee supports the President's March 1 freeze on acquisition of new furniture and urges that agency and department expenditures for furniture be given the most careful scrutiny through the congressional appropriations process. The Committee assumes that savings of an additional $200 million, about one year's worth of furniture costs, can be achieved in the fiscal year 1981 budget.

III. A HIGHLIGHT COMPARISON OF HOUSE BUDGET COMMITTEE RECOMMENDATIONS WITH THE PRESIDENT'S REVISED BUDGET OF MARCH 31, 1980

Since the Budget Committee reported its recommendations for the First Concurrent Resolution for Fiscal Year 1981 (H. Con Res. 307), the President has taken the unusual step of submitting to the Congress a revision of his January recommendations.

The Congressional Budget Office is reestimating the President's March budget in the light of economic assumptions underlying H. Con. Res. 307 and in light of the latest information on programmatic spendouts.

Preliminary reports have suggested that these reestimates may increase the President's outlay figures.

An analysis of how these reestimates might impact on the First Budget Resolution as reported by the committee is also underway. Such an analysis will be done by CBO and will take into consideration those estimates that already have been incorporated in the First Budget Resolution.

In July the Congress will receive a comprehansive set of reestimates of the President's budget from the Office of Management and Budget as required by the Budget Act. These reestimates will be reviewed by the CBO and used in the development of the Second Budget Resolution for fiscal year 1981.

A. Revenues: Comparison of Budget Resolution and President's Revised Budget (March 31, 1980)

The table below shows the difference between the revenue estimates included in the House Budget Committee's recommendation for the First Budget Resolution and the President's March update.

The current law receipts assumed in the budget resolution is $588.6 billion and the comparable estimate in the President's budget is $590.6 billion. The $2 billion difference is mainly due to differences in estimating techniques.

FISCAL YEAR 1981 BUDGET RECEIPTS AND COMPARISON OF HOUSE BUDGET COMMITTEE RECOMMENDATION AND PRESIDENT'S MARCH BUDGET

[In billions of dollars]

	HBC reported	President's March budget	Difference administration over +/under −HBC
Current law receipts	588.6	590.6	+2.0
Major tax proposals:			
Windfall profit tax[1]	+18.0	+14.4	−3.6
Cash management initiatives[2]	+2.6	+4.3	+1.7
Restrictions on tax exempt housing[3]	+.4	+.8	+.4
Railroad retirement taxes[4]	+.3	+.3	----------
Airport and Airway Trust Fund[5]	+.2	+.2	----------
Oil and hazardous substances cleanup fee[6]	+.1	+.2	+.1
Limits on foreign tax credit for oil and gas extraction[7]	----------	+.7	+.7
Independent contractors withholding[7]	----------	+.6	+.6
Receipts from increased IRS audits[8]	+.3	----------	−.3
Miscellaneous tax cuts[9]	−.1	----------	+.1
Import fees on oil[10]	+10.3	+12.6	+2.3
Productivity or anti-inflationary tax cut[11]	−10.3	----------	+10.3
Withholding on Interest and dividend[12]	+3.4	+3.4	----------
Reduction in sugar import fees[13]	----------	−.2	−.2
Increase in passport and visa fees[13]	----------	+.1	+.1
Total proposed tax changes	25.2	37.4	----------
Total recommended receipts	613.8	628.0	+14.2

[1] The administration's estimate of the windfall profit tax is $3.6 billion below the committee's estimate of $18 billion. The difference is due to oil price assumptions and small variations in the expected quantity of domestic oil production. The President assumes $33 per barrel and the CBO assumes $35 per barrel for the initial base price.

[2] For cash management initiatives, the committee assumes the administrative change requiring large employers to speed-up deposits of withheld income and payroll taxes. The committee does not assume enactment of legislative initiatives proposed by the administration or an administrative speed-up on customs and tobacco payments.

[3] The committee assumed a more generous transition rule for restrictions on tax exempt housing bonds resulting in a $0.4 billion increase in revenues, half of the administration's estimate of $0.8 billion.

[4] Both the committee and the administration assume a $0.3 billion increase from changes in the wage base subject to tax in an effort to alleviate funding problems of the Railroad Retirement Trust Fund.

[5] Both the committee and the administration assume a $0.2 billion increase from proposed changes in Airport and Airway Trust Fund taxes. While the committee assumed no increase beyond the administration proposal for fiscal year 1981, it did assume an additional $0.2 billion in higher user fees in fiscal year 1982 and fiscal year 1983 from increased fees on general aviation.

[6] The committee assumes a slower phase-in of the oil and hazardous substances cleanup fee resulting in a $0.1 billion increase compared to the $0.2 billion increase assumed by the administration.

[7] The committee does not assume enactment of the administration's proposals for limiting the foreign tax credit for oil and gas extraction or the administration proposal to impose withholding taxes on independent contractors.

[8] The committee assumes a $0.3 billion increase in revenues resulting from an assumed $50 million increase in outlays for IRS audit staff. This proposal was not included in the President's budget.

[9] Provision is made for miscellaneous tax cuts allowing the Ways and Means Committee flexibility to respond to needs for minor tax and customs changes. The administration did not provide for this flexibility.

[10] The import fees on oil imposed by the President are assumed by the committee, but the President further assumes that this fee will be replaced by motor fuel tax effective Oct. 1, 1980, which would raise $2.3 billion more than the fee.

[11] The revenue reduction of $10.3 billion assumed by the committee would result from enactment of a tax cut and corresponds to the $10.3 billion to be raised by oil import fees. Possible tax cuts include a business tax cut to encourage productivity or an offset to the scheduled January 1981 increase in social security taxes. Such tax cuts would be made if they would not unbalance the budget.

[12] Both the committee and the administration assume withholding of 15 percent of interest and dividend income.

[13] The President's March budget update included a reduction in sugar import fees and an increase in passport and visa fees which were not in either the President's January budget or in the committee's recommendation. These recommendations would reduce revenues a net of +$0.1 billion.

B. Spending Reductions: Comparison of Budget Resolution and President's Revised Budget (March 31, 1980)

Where President's revised budget reductions are similar to First Budget Resolution

[In millions of dollars]

	Outlay reductions
● Elimination of Law Engorcement Assistance Administration Grant Program—HBC Recommendation	−100
Committee believes Federal funds no longer have significant impact on improvements in local law enforcement and criminal justice. Useful local projects previously funded by LEAA should be supported from State and local revenues. Recommendation assumes continuation of Federal support for research and statistics activities at a $49.5 million funding level.	
President's Revised Budget	−89
President eliminates only part of LEAA programs, the law enforcement assistance formula grants. The President cut $394 million in budget authority whereas the Committee eliminated $521 million. President appears to assume a faster program spendout rate resulting in similar outlay levels.	
● Elimination of Proposed New Antirecession Fiscal Assistance Initiative HBC Recommendation	−1,000
Committee believes that in a period of severe fiscal restraint only the most urgent new initiatives should be enacted. Further, this money would be targeted to local governments, not to individuals.	
President's Revised Budget	−1,000
The President also assumes elimination of this new initiative.	
● Elimination of unemployment benefits for former CETA employees HBC Recommendation	−200
Committee assumes legislation to deny Federally-financed unemployment benefits to former CETA employees on grounds that since CETA workers have up to 18 months of public employment they have had ample time to make transition to regular employment. States and localities could assume the cost of these unemployment benefits if they choose to do so.	
President's Revised Budget	−150
The President assumes same legislation. Outlay difference due to rounding.	
● Child Health Assurance program HBC Recommendation	−363
Committee endorses efforts to close gaps in services to low-income children and pregnant women and assumes $40 million to initiate the CHAP program late in fiscal year 1981. Delay in implementation is proposed mainly because of budgetary constraints. However, delay in start of program will give administration sufficient time to develop guidelines and procedures to assure that problems experienced with existing medicaid programs for children will not be repeated. (Program base before reduction is $403 million.)	
President's Revised Budget	−388
The President would dealy implementation of CHAP until September 1981.	
● Delay Welfare Reform HBC Recommendation	−850
Because of overall budget constraints, Committee assumes the cost provisions of welfare reform, including about $550 million in State fiscal relief provisions, will be deferred until 1982.	
President's Revised Budget	−859
The President assumes the same 1-year deferral in his revised budget.	

	Outlay reductions
• Medicare-Medicaid program expansion	
HBC Recommendation	−70
President proposes $166 million for medicare-emdicaid program improvements such as expanded coverage for home health services, medicaid coverage of comprehensive health clinics, and expanded coverage of outpatient psychiatric care. Committee recognizes importance of expanding these benefits but believes fiscal situation prevents full funding at this time. Recommendation still assumes $96 million for these expansions in 1981.	
President's Revised Budget	−112
The President proposed delaying virtually all medicaid and medicare program expansions. Specifically, he would delay implementation of home health benefit expansion, coverage of comprehensive health clinics, outpatient psychiatric care, and increased payments to the territories. The President still proposes funding for the disability initiative, coverage for newborns, elimination of the second waiting period for medicare coverage for disabled persons, and improved reimbursements to Health Maintenance Organizations.	
• Slowdown of EPA Construction Grant Program	
HBC Recommendation	−100
Committee believes a modest slowdown in program is appropriate in view of need for fiscal restraint. Recommended reduction is from estimated fiscal year 1981 outlays of about $4 billion.	
President's Revised Budget	−95
President's reduction is essentially the same as the HBC recommendation although the President assumes an upward reestimate of $300 million in outlays (total of $4,250 million) from which the $95 million was reduced.	
• Reduction in obligation ceiling for Federal highways	
HBC Recommendation	−400
Committee assumes fiscal year 1981 outlay savings of $400 million based on prompt deferral action to reduce fiscal year 1980 obligation ceiling for Federal highways by about $1 billion in fiscal year 1980, and a similar reduction in the obligation ceiling in fiscal year 1981. Would allow obligation ceilings of about $7.75 billion in fiscal year 1980 and between $7.85 and $8.35 billion in fiscal year 1981. Recommendation is based on need to control Federal spending and assumption that improved program management can increase program efficiency.	
President's Revised Budget	−400
President also projects $400 million in outlay savings resulting from both fiscal 1980 and 1981 program reductions. However, the President did not reestimate the highway trust fund outlays for fiscal year 1981 as did HBC and the President's base is therefore lower by $441 million.	
• Reduction in funding for local public works and economic development projects	
HBC Recommendation	−200
Reduction reflects Committee's view that President's proposed increases in 1980 and 1981 result in too rapid a buildup in program levels. Committee also believes it is undesirable to implement a sizeable new program this late in fiscal year 1980. For fiscal year 1981 recommendation still contains $863 million in budget authority and $618 million in outlays.	
President's Revised Budget	−221
President would also assume a 50 percent reduction in fiscal year 1981 EDA programs proposed for first time authorization in fiscal year 1980.	
• Tightened eligibility for low-income energy assistance	
HBC Recommendation	−200
Recommendation is $200 million below the President's request but still $600 million over the 1980 appropriations of $1.6 billion. Committee assumes reduction can be achieved by better targeting of benefits to persons who are truly needy and are responsible for paying their own heating costs.	
President's Revised Budget	−200
The President assumes the same reduction in his revised budget.	

	Outlay reductions
• Changes in Food Stamp Eligibility	
HBC Recommendation	—130
Committee assumes savings totaling $130 million for reforms in eligibility for food stamp benefits for certain groups who have relatively less need for assistance. Reforms include severe restrictions on the eligibility of students for benefits, a reduction in the amount of liquid assets which an individual can have and receive food stamps, and use of a poverty level for eligibility which is more consistent with the official census definition than the one currently used by the Department of Agriculture. (Program base before reduction is $9.8 billion.)	
President's Revised Budget	—133
The President includes the same reforms in his revised budget.	
• Retirement benefits for Federal civilian and military retirees	
HBC Recommendation	—1, 100
Under current law benefits received by military and Federal civilian retirees are adjusted twice a year for changes in the Consumer Price Index (CPI). Recommendation assumes changes in current law to provide an annual adjustment which will put Federal retirees on same adjustment basis as social security recipients. (Outlay base, before reduction, is $30.8 billion.)	
President's Revised Budget	—1, 069
The President assumes changes in current law to provide annual adjustment of retired pay for military and civilian personnel. The savings differ slightly because the President has assumed annual adjustments in March of each year, while HBC assumed annual adjustments in July, the same as social security.	
• Food Stamp Program	
HBC Recommendation	—300
Committee assumes savings of $300 million would be achieved in fiscal year 1981 by adopting a system in which all automatic adjustments for inflation, including the amount of food stamps plus the allowable deductions, would be made each January rather than twice a year as under current law. (Program base, before reduction, is $9.8 billion.)	
President's Revised Budget	
The President proposes the same reform in his revised budget.	
• Child Nutrition Program	
HBC Recommendation	
Committee assumes savings of $75 million in Child Nutrition programs by making adjustments for reimbursement rates to schools and other institutions each July rather than twice a year, as is the case under current law. Assumes annual adjustments would go into effect in July so that changes would not be necessary during the academic year. (Program base, before reduction, is $3.2 billion.)	
President's Revised Budget	—74
The President proposes the same reform in his revised budget.	
• Reductions in Foreign Assistance Programs	
HBC Recommendation	—390
Committee assumes reductions in the President's request for multilateral assistance programs such as contributions to international organizations and multilateral banks; programs of the Agency for International Development; shipment of commodities abroad under PL 480 Food for Peace programs, military assistance grants, and other programs. Reductions will result in a real decline in the funding levels of these programs as opposed to the real growth which has been prouided by Congress in recent years. (Program base before reduction is $8,396 million.)	
President's Revised Budget	—394
The President's reductions in foreign assistance outlays result primarily from his decision to reduce the direct loan programs of the Export-Import Bank in fiscal year 1980 which reduces outlays an estimated $270 million in fiscal year 1981. In addition, the President has a series of increases and decreases in other foreign assistance programs which result in a net decrease of $124 million.	

	Outlay reductions
• Higher education funding	
HBC Recommendation	−195
Committee assumes a fiscal year 1980 BEOGs rescission to reduce each basic grant by $50, allowing grants to range from $150 to a maximum of $1,750. Assumes that the maximum grant will be $1,800 in fiscal year 1981 rather than $1,900 as proposed by the President in January. Further assumes that Congress will reform the guaranteed student loan program holding total costs to the level in the President's budget. (Student assistance outlay level, before reduction, is $3.4 billion.)	
President's Revised Budget	−213
President also would rescind in fiscal year 1980 BEOGs appropriation to reduce each basic grant by $50 and in fiscal year 1981 hold maximum grant to $1,800, rather than $1,900 as proposed in January.	
• Increase civilian pay absorption to reflect levels achieved in recent years	
HBC Recommendation	−200
Committee assumes that civilian agencies will absorb 35 percent of the cost of the fiscal year 1981 pay raise through greater management efficiency and tightening of related expenses. The President had originally assumed 21 percent absorption, so the increase to 35 percent saves almost $0.2 billion.	
President's Revised Budget	−200
The President also assumes that civilian agencies absorb 35 percent of the cost of the fiscal year 1981 pay raise	

Where President cuts less

[In millions of dollars]

	Outlay reductions
• Elimination of Subsidies for Saturday Mail Delivery and Some Portion of Subsidy for Bulk Mail	
HBC Recommendation	−836
Committee assumes no reduction in subsidy for rural post offices and free mail delivery for blind and handicapped. Reduction still leaves intact a Federal postal subsidy of $757 million. Eliminating one day of postal deliveries would impose less hardship on the public than other cuts which could affect vital government services to lower- and moderate-income persons. Cut in delivery to 5 days could also save energy by reducing fuel consumption by Postal Service.	
President's Revised Budget	−250
The President's revision also assumes that the Postal Service would cut back normal postal deliveries to 5 days a week, but apparently, the Federal subsidy would be reduced only by the amount of actual cost reductions estimated by the Postal Service.	
• Elimination of Youth Conservation Corps	
HBC Recommendation	−55
The Committee assumes elimination of this program. Enrollment in YCC is not targeted to young persons in greatest need. Work performed by YCC enrollees is only marginally essential to maintenance of public lands. Work could probably be done by regular Federal employees in a more cost-effective manner.	
President's Revised Budget	−15
President only reduces the level of fiscal year 1981 funding.	
• Elimination of State Government Share of Revenue Sharing	
HBC Recommendation	−1, 714
Committee assumes non-renewal of Federal funds for the State share of revenue sharing but continuation of the $4.6 billion in Federal payments to local governments. Compared to the Federal government, states are in a relatively healthy fiscal condition. More than 50 percent of State governments are expected to run significant surpluses during 1980.	
President's Revised Budget	−1, 214
The President would also eliminate the State government share of revenue sharing, but he would partially offset this reduction with an additional $500 million to assist distressed local governments.	
• Youth Education-Employment Initiative	
HBC Recommendation	−150
Committee assumes that legislation to increase future employability of disadvantaged youths will be enacted and therefore includes $1.2 billion of additional budget authority for this purpose in fiscal year 1981. However, the Committee assumes that legislation will be enacted late in 1981 and that outlays will not occur until 1982. The Committee further assumes that current level of services under Youth Employment and Demonstration Projects Act of 1977 (YEDPA) will continue throughout fiscal year 1981.	
President's Revised Budget	
The President continues to assume the full outlay effect for the new youth education-employment initiative.	

	Outlay reductions
• Delay Inland Energy Impact Assistance	
HBC Recommendation	−38
Committee assumes deferral of the proposed $150 million funding level for this assistance until fiscal year 1982. Committee believes major program initiatives should not be undertaken during a period of severe fiscal restraint. Moreover, infrastructure development activities can be funded through existing Federal programs.	
President's Revised Budget	
President does not reduce program, assumes a $150 million budget authority request which is a 200 percent increase over fiscal year 1980.	
• Slowdown Oil Purchase for Strategic Petroleum Reserve	
HBC Recommendation	−1,000
While program is important, Committee believes overall budget requirements argue against significant outlays for this activity in 1981. Committee recommendation would allow purchase of 7 million barrels of oil for reserve. Alternatively it might be possible to purchase the 36 million barrels the President proposed in his budget if the oil were purchased at "old oil" prices. Committee assumes no reduction in the budget authority for the Reserve requested by the President.	
President's Revised Budget	−784
Postpones purchases until June 1, 1981 at the 100,000 barrel a day rate. This would enable storage of 12 million barrels in fiscal year 1981.	
• Elimination of Work Incentive (WIN)/CETA Overlap	
HBC Recommendation	−50
Committee assumes that there will be a more coordinated effort within the Labor Department in providing services under both the WIN and CETA programs. Currently, both programs provide many of the same services to similar clientele. The recommendation assumes that $50 million in outlays could be saved in the WIN program if overlapping services were eliminated. (Program base, before reduction, is $385 million.)	
President's Revised Budget	
The President does not make any reductions in the WIN program.	
• Changes in Public Assistance Benefit Determination	
HBC Recommendation	−221
Committee assumes savings of $221 million in budget authority and outlays could be achieved from more frequent reporting of income by welfare recipients and basing benefits on past rather than anticipated income. Both reforms are contained in the Social Welfare Amendments of 1979 (H.R. 4904) but are scheduled to be first effective in fiscal year 1982. Committee assumes that these reforms could be made effective in fiscal year 1981. (Program base, before reduction, is $7.2 billion.)	
President's Revised Budget	
The President does not include this savings in his revised budget.	
• CETA Funding Level	
HBC Recommendation	−1,000
Committee assumes a reduction in CETA program funding, other than the youth programs under YEDPA and President's youth initiative. The Committee assumes that these reductions can be made in the following ways: (1) reducing the title VI PSE enrollment level by 50,000 jobs to a total of 150,000; (2) eliminating the welfare jobs demonstration projects under title III; (3) reducing the enrollment level of the title VIII Young Adult Conservation Corps (YACC); and (4) other actions. (Program base, before reduction, is $9 billion.)	
President's Revised Budget	−841
The President would reduce the CETA title VI PSE enrollment level by 51,000, reduce the YACC program, and phase-out the welfare demonstration projects. However, he would not make any further reductions to the CETA program.	

	Outlay reductions
• Department of Defense Level of Purchases	
HBC Recommendation	−1, 000
Each year during appropriations process, reductions are made in many line items and result from a variety of causes including schedule slippages, redefinition of requirements and identification of operating efficiencies. Sum of these reductions is quite significant. Committee assumes that the Appropriations Committees will again make these types of reductions in fiscal year 1981. (Program base, before reduction, is $82 billion.)	
President's Revised Budget	−1, 003
The President has recommended reductions in the procurement of aircraft and other items, reductions in overhauls for Navy Reserve destroyers, reductions in certain operations and maintenance costs including personnel, and reductions in some research and development activities. However, the President's reductions starts from a higher base.	
• An Across-the-Board Reduction in Federal Government and Adminsitrative Costs Including a Freeze in Civilian Personnel Levels	
HBC Recommendation	−1, 000
Committee assumes a reduction in agency overhead and administrative costs which will reduce civilian agency costs by $0.6 billion and civilian cost in defense by $0.4 billion. Operating costs can be reduced through hiring freezes, filling vacancies at lower grade levels, slowing down promotions and step increases, using less consumable supplies such as paper or electricity, and implementing more restrictive policies on travel or contract services.	
President's Revised Budget	-------
The President has assumed a reduction in operating expenses equal to 2 percent of civilian personnel compensation. This reduction results from a personnel freeze, a 15 percent reduction in consultants, and other economies. The reduction, which is estimated to total $866 million, is included in other specific savings listed by agency and program.	
• Delay Cost-of-Living Increases for Members of Congress and Other Administrative Savings in the Legislative Branch	
HBC Recommendation	−61
Committee assumes that Members of Congress will not receive cost-of-living increases in fiscal year 1981. Further the Committee assumes the legislative branch would be required to achieve other administrative savings to complement similar cost-savings measures proposed for the executive branch.	
President's Revised Budget	-------
The President's revisions do not assume administrative savings specifically in the Legislative Branch, although he does propose Government-wide operating cost savings.	
• Elimination of Administration's Contingency Allowance	
HBC Recommendation	−600
The Committee recommends elimination of the contingency allowance for fiscal year 1981. The contingency allowance is not a request for the appropriation of a contingency fund; rather, it is a leeway provided in the budget so that the President may later request additional appropriations for specific purposes should the need arise.	
President's Revised Budget	−100
The President's budget continues to assume $500 million in outlays for a contingency allowance to cover unforeseen requirements.	

	Outlay reductions
• Eliminate Waste from Purchase of Furniture for Federal Agencies	
HBC Recommendation	—200
Committee believes that Federal agencies and General Services Administration have seriously mismanaged their purchases of office furniture. Committee supports President's March 1 freeze on requisition of new furniture and urges that expenditures for furniture be given the most careful scrutiny through the appropriations process. Committee notes that large amounts of useable furniture are curremtly in storage and therefore assumes that savings of $200 million, about one year's worth of furniture costs, can be achieved in the fiscal year 1981 budget.	
President's Revised Budget	—100
President assumes a reduction of less than $100 million which includes a reduction in GSA procurement and maintenance of facilities and ADP equipment; and reduction in stockpile procurement.	

Where President cuts more

[In millions of dollars]

	Outlay reductions
• Slowdown of Park Lands Acquisition	
HBC Recommendation	−150
Committee assumes a reduction in both the Federal land acquisition programs and a reduction in the Federal portion of the state grants program. Reduction in Federal land acquisition program is based on need to promote less costly alternatives to full title land acquisition and need to encourage more consistent Federal land acquisition policy. Reduction in Federal portion of state grants program is based on shifting responsibility for state recreation programs to state taxpayers who are main beneficiaries. (Program base, before reduction, is $614 million.)	
President's Revised Budget	−181
The President assumes a larger reduction from both the Federal and state portions of land acquisition under the Land and Water Conservation Fund. The President's base from which the reduction of $181 million was made is $489 million. This base does not reflect an upward reestimate of $125 million by CBO which is included in the HBC base.	
• Slowdown of Water Projects	
HBC Recommendation	−100
Recommendation assumes slowdown in outlays for ongoing construction projects due to need for fiscal restraint. Recommendation does not assume termination of any projects. (Program base, before reductions, is $4.1 billion.)	
President's Revised Budget	−186
President's reduction includes a slowdown for construction as well as operations and maintenance and procurement activities related to water resources projects.	

IV. A HIGHLIGHT COMPARISON OF HOUSE BUDGET COMMITTEE RECOMMENDATIONS WITH SENATE BUDGET COMMITTEE RECOMMENDATIONS

The following material summarizes the major differences between the House and Senate Committee-reported budget resolutions for fiscal year 1981. A more detailed comparison, budget function by budget function, is available upon request.

Major Differences Between House Budget Committee Recommendations and Senate Budget Committee Recommendations

Overview

In total the Senate is under the House by $6.7 billion in budget authority, over the House by $1.1 billion in outlays, and under the House by $0.9 billion in revenues. Senate recommendation would project no surplus. House estimates a surplus of $2.0 billion.

Revenues

The Senate is below the House by $0.9 billion in revenues.

- The Senate Committee estimates less in revenues than the House. While the Senate discussed similar levels as the House for most reveune items the Senate voted to reduce the total increase in new revenues by $1.0 billion.
- The Senate assumes $0.2 million more than the House for both Cash Management initiatives and Tax Exempt Housing Bond modifications.
- While the House assumes $0.2 billion for the Airport and Airway Trust Fund and $0.1 billion for the Oil and Hazardous Substances Fund, the Senate made no explicit assumption.

Defense

Major difference in recommendations is in defense area. Senate is over House by $12.6 billion in budget authority and $7.8 billion in outlays.

- Readiness and modernization. Accounts for 70 to 75 percent of the difference in defense. Senate assumes real growth of 9.8 percent in budget authority and 5.7 percent in outlays. House assumes lower real growth: 3.4 percent in budget authority and 2.1 percent in outlays.
- Pay. House follows President's request and assumes pay raises of 7.4 percent for the military and 6.2 percent for civilians and assumes 40 percent of these costs will be absorbed. Senate assumes an 11.7 percent raise for the military with a 20 percent rate of absorption.
- Operating and administrative costs and purchases. House assumes reductions of $0.4 billion in overhead costs and reductions of $1.6 million in budget authority and $1.0 billion in outlays for purchases of goods and services. Senate assumes a 5 percent reduction in operating and administrative expenses. Senate reduction assumes $1.0 billion in dubget authority and outlays. The Senate reduction is $1.0 billion in budget authority and $0.4 billion in outlays less than the House reduction.

Education

Senate is below the House by approximately $2.2 billion in budget authority and $0.7 billion in outlays for education programs, including the full amount of the youth education employment initiative.

- Youth education employment initiative. House assumes implementation will be delayed until late fiscal year 1981 and includes $1.2 billion in budget authority. Senate assumes deferral of initiative until fiscal year 1982.

• Elementary and secondary education. House reduces President's January budget request of $8.4 billion in budget authority and $7.6 billion in outlays by $0.2 billion in outlays. Senate assumes further reductions of $0.4 billion in budget authority and $0.2 billion in outlays. reductions of $0.4 billion in budget authority and $0.2 billion in outlays.

• Higher education. House recommendations is $0.2 billion below the President's January request. Senate further reduces these programs by $0.4 billion in budget authority and $0.5 billion in outlays. Senate assumes elimination of 600,000 middle-income participants in BEOG's program by returning to the pre-1979 BEOG's formula. Senate also assumes a larger reduction in current student loan programs than the President or the House.

Jobs and training

Senate is below House by $1.6 billion in budget authority and $1.4 billion in outlays for employment and training programs.

• CETA title VI public service employment. House reduced 50,000 jobs from President's January request of 200,000 jobs. Senate assumes phase-out of the program in fiscal year 1981 with an average enrollment of 70,000 jobs, thereby reducing the House recommendation by $1.1 billion in budget authority and $1.0 billion in outlays.

• Young Adult Conservation Corps. House assumes reductions in enrollment levels. Senate assumes elimination of the program.

• Other training and employment. Senate assumes further reductions in the WIN and CETA programs, including a 25 percent reduction in the Summer Youth Employment program.

Social security

House assumes President's request for legislative savings of $0.1 billion in outlays from disability reforms approved by House last year. Senate assumes additional unspecified legislative savings of $0.5 billion in outlays.

Discretionary health programs

Senate assumes reductions below House of $0.9 billion in budget authority and $0.5 billion in outlays. Senate assumes programs at $9.1 billion in budget authority or $0.5 billion below the fiscal year 1980 appropriated level.

Low-income energy assistance

House assumes program will be funded at level of $2.2 billion in budget authority and outlays' $200 million below the President's January budget. Senate assumes program will be funded at the fiscal year 1980 level of $1.6 billion in budget authority and outlays.

Food stamps

House assumes legislative savings of $0.5 billion in budget authority and outlays. Senate assumes $0.8 billion less than House. Senate assumes additional savings to be achieved by reducing food stamp benefits for families receiving free school lunches and counting low-income energy assistance as income for food stamp benefits.

Transportation

Senate is below the House by $2.9 billion in budget authority and $1.3 billion in outlays.

- Transportation energy initiative. House assumes program will be funded at $1.4 billion in budget authority and $200 million in outlays. Senate assumes no program funding for this energy initiative.
- Highways. Senate assumes Highway Trust Fund outlays of $7.6 billion, $0.3 billion less than the House.
- Rail assistance initiative. House assumes President's January request of $0.3 billion. Senate assumes no rail assistance initiative.
- AMTRAK. House assumes President's January request of $1.0 billion. Senate reduces program level by approximately $200 million.
- Urban mass transportation. House assumes President's January request of $3.8 billion. Senate assumes reductions below 1980 funding levels for both operating and capital grants for a program level of $3.1 billion.
- Coast Guard user fees. House assumes receipts of $150 million for user fees. Senate assumes no receipts.

Social services

House assumes reduction of President's January budget request by $0.2 billion in budget authority and $0.1 billion in outlays. House also assumes increase of $50 million in vocational rehabilitation. Senate further reduces social services by $0.1 billion in budget authority and $0.2 billion in outlays by assuming no increase in vocational rehabilitation and larger reductions in other programs.

Subsidized housing

Senate is below House by $5.0 billion in budget authortiy. House estimate is consistent with President's request which CBO estimates would provide 287,000 units of housing. Based on different assumptions, Senate assumes funding for up to 236,000 units.

Veterans benefits

Senate is below House by $0.2 billion in budget authority and outlays. Major difference lies in cost-of-living adjustment (COLA) in compensation payments to veterans with service-connected disabilities. House assumes a 13 percent COLA; Senate assumes as 11.8 percent COLA.

Space and science programs

House assumes space and science programs at a level of $6.7 billion in budget authority and $6.3 billion in outlays, $0.2 billion in budget authority and $0.1 billion in outlays less than the President's January budget request. Senate further reduces these programs by $0.3 billion in budget authority and $0.2 billion in outlays. Reductions are not assumed to be applied to Space Shuttle program.

Strategic petroleum reserve

House assumes $2.4 billion in budget authority to enable Reserve to advance purchase oil for storage in fiscal year 1982 and retains $0.3 billion in outlays for actual purchases in fiscal year 1981. Senate assumes no oil will be stored in fiscal year 1981 and that only $0.1 billion of $2.4 billion budget authority requested will be approved.

Water resources

House assumes a funding level of $4.0 billion, $0.1 billion below the President's January budget request. Senate assumes a level of $3.8 billion, $0.3 billion below the President's January request.

Recreational resources

House assumes a funding level of $1.4 billion for all recreational resources programs, $0.3 billion below the President's January request. House level assumes a 50 percent reduction in land acquisition under the Land and Water Conservation Fund. Senate assumes $1.1 billion for all recreational resources programs, $0.3 billion below the House. Senate assumes a 95 percent reduction in Land and Water Conservation Fund and no funding for Urban Parks Grant program.

Postal service subsidy

House assumes savings of $0.8 billion by eliminating Saturday mail delivery and partially reducing subsidies for second- and third-class mail. Senate assumes elimination of Saturday mail delivery but assumes savings of only $0.5 billion.

V. BUDGET COMMITTEE RECOMMENDATIONS FOR FISCAL YEAR 1980

Section 6 of H. Con. Res. 307 revises the Second Budget Resolution for Fiscal Year 1980. This has become necessary due to unanticipated increases in payments mandated by existing law, which have caused budget authority and outlays to exceed the ceilings established in the original Second Budget Resolution enacted November 28. Net interest payments, for example, are now $7.5 billion more than the Second Resolution estimate. Entitlements such as social security, medicaid, and medicare are also up. The grain embargo has added substantially to agriculture price support outlays.

Since the ceilings in the Second Budget Resolution have been exceeded, any further spending for fiscal year 1980 is subject to point of order. But the President has requested the enactment of an additional $10.4 billion in budget authority and $6.4 billion in outlays for fiscal year 1980. Some of this amount, such as food stamps, forest firefighting, and disaster relief, should not be deferred. Passage of revised Second Budget Resolution will allow consideration of such additional amounts.

BUDGET AGGREGATES, FISCAL YEAR 1980

[In billions of dollars]

	Second resolution	Revised second resolution
Revenues	517.8	528.8
Budget authority	638.0	657.2
Outlays	547.6	567.0
Deficit	29.8	38.2
Debt subject to limit	886.4	896.7

The totals shown above encompass amounts already enacted in the previous session of Congress, appropriations for mandatory programs that need additional funding, and some but not all of the discretionary changes requested by the President.

The following table compares the President's original request for fiscal year 1980 (as reestimated by CBO) to the Committee's recommendation.

SUMMARY OF FISCAL YEAR 1980 RECOMMENDATION

	President's January budget reestimated by CBO–Mar. 12		Recommendation	
	Budget authority	Outlays	Budget authority	Outlays
A. Already enacted	639.9	552.3	639.9	552.3
B. Mandatory supplementals:				
Pay (all agencies)	4.0	4.1	3.2	3.3
Military retired pay	.5	.5	.5	.5
Highway contract liquidation		.4		.4
Transportation subsidies	(1)	.1	(1)	.1
Guaranteed student loans	.6	.3	.6	.3
Title XX claims	.2	.2	.2	.2
Medicaid	2.3	2.3	2.3	2.3
Advances to unemployment insurance and Black Lung trust funds	.6	.6	.6	.6
Child nutrition	.3	.1	.3	.1
Unemployment insurance State payments		.1		.1
Public assistance	.1	.1	.1	.1
Payments to D.C. retirement	.1	.1	.1	.1
All others	(1)	(1)	(1)	(1)
Total mandatory supplementals	8.8	8.7	7.9	7.8
C. Already committed (current level)	648.7	561.0	647.8	560.1
D. Discretionary actions not yet taken:				
Defense anticipated increases	.9	.9	2.0	2.0
Nunn amendment			.3	.3
Foreign Assistance bill	1.2	.3	1.2	.3
Pakistan and other supplementals	.3	.3	.1	.1
Space Shuttle	.3	.2	.3	.2
Energy supplementals	1.1	.4	.7	.4
Windfall profits tax	.3	.3	.3	.3
Firefighting	.2	.1	.2	.1
Energy transportation initiatives	1.3	(1)	1.3	(1)
EDA supplemental	.6	.1	.1	(1)
Disaster relief	.3	(1)	.3	(1)
Disaster loan assistance			.4	.2
Social service and child welfare amendments, H.R. 3434	.4	.4	.2	.2
Food stamps	2.6	2.5	2.6	2.5
Refugee assistance	.1	.1		
Pending legislation, function 600	−.1	−.1		
Annualized COLA for Federal retirees			.1	.2
Targeted fiscal assistance	.4	.3	.2	.2
Contingency allowance	.2	.1		
All other supplementals	.5	.5	.1	.2
Recissions and deferrals	−.1	(1)	−1.0	−.4
Total discretionary action	10.4	6.4	9.2	7.0
E. Fiscal year 1980 budget	659.0	567.4	657.2	567.0

[1] Less than $50,000,000.

Note: Detail may not add to totals due to rounding.

VI. SUMMARY TABLES

FISCAL YEAR 1981 SUMMARY OF RECOMMENDATIONS BY THE PRESIDENT AND THE HOUSE AND SENATE BUDGET COMMITTEES

[In billions of dllars]

		President's request re-estimated by CBO Mar. 12, 1980	House reported Mar. 26, 1980	President's revised Mar. 31, 1980	Senate reported Apr. 9, 1980
	Revenues	614.0	613.8	628.0	612.9
	Budget authority	713.0	694.6	691.3	687.9
	Outlays	628.3	611.8	611.5	612.9
	Deficit/Surplus	−14.3	2.0	16.5	0
	Debt subject to limit	942.1	926.8	897.1	927.8
050	National defense:				
	Budget authority	162.8	160.8	164.5	173.4
	Outlays	149.3	147.9	150.5	155.7
150	International affairs:				
	Budget authority	24.6	24.0	18.2	23.4
	Outlays	9.8	9.6	10.1	9.5
250	General science, space, and technology:				
	Budget authority	6.9	6.7	6.6	6.4
	Outlays	6.4	6.3	6.2	6.1
270	Energy:				
	Budget authority	8.0	7.5	6.9	3.9
	Outlays	8.7	7.1	6.9	6.8
300	Natural resources and environment:				
	Budget authority	13.3	12.0	12.5	11.6
	Outlays	13.1	12.4	12.5	12.0
350	Agriculture:				
	Budget authority	5.5	5.4	5.4	5.6
	Outlays	2.4	2.3	2.0	2.3
370	Commerce and housing credit:				
	Budget authority	6.1	5.1	5.6	5.1
	Outlays	.9	−.1	.4	.2
400	Transportation:				
	Budget authority	23.6	22.8	23.4	19.9
	Outlays	20.5	19.5	19.0	18.2
450	Community and regional development:				
	Budget authority	9.9	9.0	9.0	8.9
	Outlays	9.9	9.4	8.5	9.3
500	Education, training, employment, and social services:				
	Budget authority	35.0	33.3	33.0	29.4
	Outlays	32.4	30.7	30.6	28.4
550	Health:				
	Budget authority	72.2	71.5	71.1	70.9
	Outlays	62.4	61.8	61.9	61.9
600	Income security:				
	Budget authority	254.1	252.1	251.6	245.3
	Outlays	222.8	220.1	220.1	218.3
700	Veterans benefits and services:				
	Budget authority	22.1	21.7	22.5	21.5
	Outlays	21.4	21.2	21.4	21.0
750	Administration of justice:				
	Budget authority	4.7	4.2	4.3	4.2
	Outlays	4.7	4.6	4.6	4.6
800	General government:				
	Budget authority	4.8	4.7	4.9	4.6
	Outlays	4.7	4.6	4.8	4.3
850	General purpose fiscal assistance:				
	Budget authority	9.6	6.2	6.8	6.3
	Outlays	9.6	6.8	7.4	6.8
900	Interest:				
	Budget authority	72.2	72.2	68.4	72.2
	Outlays	72.2	72.2	68.4	72.2
920	Allowances:				
	Budget authority	2.2	----------	1.7	NA
	Outlays	1.7	----------	1.4	NA
950	Undistributed offsetting receipts:				
	Budget authority	−24.6	−24.6	−24.9	−24.7
	Outlays	−24.6	−24.6	−24.9	−24.7

Note: Totals may not add due to rounding.

FISCAL YEAR 1981 COMPARISON OF PRESIDENT'S MARCH BUDGET REVISIONS WITH BUDGET COMMITTEE RECOMMENDATION

[In billions of dollars]

	Committee reported, Mar. 26, 1980	Revised President, Mar. 31, 1980	Difference revised President over (+) under (−) committee reported
Revenues	613.8	628.0	+14.2
Budget authority	694.6	691.3	−3.3
Outlays	611.8	611.5	−.3
Surplus	2.0	16.5	+14.5
Debt subject to limit	925.8	897.1	−29.7
050 National defense:			
Budget authority	160.8	164.5	+3.7
Outlays	147.9	150.5	+2.6
150 International affairs:			
Budget authority	24.0	18.2	−5.8
Outlays	9.6	10.1	+.5
250 General science, space, and technology:			
Budget authority	6.7	6.6	−.1
Outlays	6.3	6.2	−.1
270 Energy:			
Budget authority	7.5	6.9	−.6
Outlays	7.1	6.9	−.2
300 Natural resources and environment:			
Budget authority	12.0	12.5	+.5
Outlays	12.4	12.5	+.1
350 Agriculture:			
Budget authority	5.4	5.4	----------
Outlays	2.3	2.0	−.3
370 Commerce and housing credit:			
Budget authority	5.1	5.6	+.5
Outlays	−.1	.4	+.5
400 Transportation:			
Budget authority	22.8	23.4	+.6
Outlays	19.5	19.0	−.5
450 Community and regional development:			
Budget authority	9.0	9.0	----------
Outlays	9.4	8.5	−.9
500 Education, training, employment, and social services:			
Budget authority	33.3	33.0	−.3
Outlays	30.7	30.6	−.1
550 Health:			
Budget authority	71.5	71.1	−.4
Outlays	61.8	61.9	+.1
600 Income security:			
Budget authority	252.1	251.6	−.5
Outlays	220.1	220.1	----------
700 Veterans benefits and services:			
Budget authority	21.7	22.5	+.8
Outlays	21.2	21.4	+.2
750 Administration of justice:			
Budget authority	4.2	4.3	+.1
Outlays	4.6	4.6	----------
800 General government:			
Budget authority	4.7	4.9	+.2
Outlays	4.6	4.8	+.2
850 General purpose fiscal assistance:			
Budget authority	6.2	6.8	+.6
Outlays	6.8	7.4	+.6
900 Interest:			
Budget authority	72.2	68.4	−3.8
Outlays	72.2	68.4	−3.8
920 Allowances:			
Budget authority	----------	1.7	+1.7
Outlays	----------	1.4	+1.4
950 Undistributed offsetting receipts:			
Budget authority	−24.6	−24.9	−.3
Outlays	−24.6	−24.9	−.3

Note: Totals may not add due to rounding.

FISCAL YEAR 1981 COMPARISON OF HOUSE AND SENATE COMMITTEE REPORTED RECOMMENDATIONS

[In billions of dollars]

	House committee reported, Mar. 26, 1980	Senate committee reported, April 7, 1980	Senate over (+) under (−) House
Revenues	613.8	612.9	−0.7
Budget authority	694.6	687.9	−6.9
Outlays	611.8	612.9	−1.1
Surplus	2.0	----------	−2.0
Debt subject to limit	926.8	927.8	+1.0
Credit	140.2	140.9	+.7
050 National defense:			
Budget authority	160.8	173.4	+12.6
Outlays	147.9	155.7	+7.8
150 International affairs:			
Budget authority	24.0	23.4	−.6
Outlays	9.6	9.5	−.1
250 General science, space, and technology:			
Budget authority	6.7	6.4	−.3
Outlays	6.3	6.1	−.2
270 Energy:			
Budget authority	7.5	3.9	−3.6
Outlays	7.1	6.8	−.3
300 Natural resources and environment:			
Budget authority	12.0	11.6	−.4
Outlays	12.4	12.0	−.4
350 Agriculture:			
Budget authority	5.4	5.6	+.2
Outlays	2.3	2.3	----------
370 Commerce and housing credit:			
Budget authority	5.1	5.1	----------
Outlays	−.1	.2	+.3
400 Transportation:			
Budget authority	22.8	19.9	−2.9
Outlays	19.5	18.2	−1.3
450 Community and regional development:			
Budget authority	9.0	8.9	−.1
Outlays	9.4	9.3	−.1
500 Education, training, employment, and social services:			
Budget authority	33.3	29.4	−3.9
Outlays	30.7	28.4	−2.3
550 Health:			
Budget authority	71.5	70.9	−.6
Outlays	61.8	61.9	+.1
600 Income security:			
Budget authority	252.1	245.3	−6.8
Outlays	220.1	218.3	−1.8
700 Veterans benefits and services:			
Budget authority	21.7	21.5	−.2
Outlays	21.2	21.0	−.2
750 Administration of justice:			
Budget authority	4.2	4.2	----------
Outlays	4.6	4.6	----------
800 General government:			
Budget authority	4.7	4.6	−.1
Outlays	4.6	4.3	−.3
850 General purpose fiscal assistance:			
Budget authority	6.2	6.3	+.1
Outlays	6.8	6.8	----------
900 Interest:			
Budget authority	72.2	72.2	----------
Outlays	72.2	72.2	----------
920 Allowances:			
Budget authority	----------	NA	----------
Outlays	----------	NA	----------
950 Undistributed offsetting receipts:			
Budget authority	−24.6	−24.7	−.1
Outlays	−24.6	−24.7	−.1

FISCAL YEAR 1981: COMPARISON OF CREDIT BUDGET PROPOSALS

[In billions of dollars]

	President's Budget		House Budget Committee recommendations	Senate Budget Committee recommendations
	January	March revisions		
Credit budget:				
New direct loan obligations:				
On-budget agencies	35.4	35.4	35.3	38.1
Off-budget agencies	25.3	25.8	25.3	25.8
Total, new direct loan obligations	60.7	61.2	60.6	63.9
New loan guarantee commitments	81.4	77.4	79.6	77.0
Total, credit budget	142.1	138.6	140.2	140.9
Proposed appropriations limitations:				
New direct loan obligations	27.2	26.7	60.6	63.9
New loan guarantee commitments	32.5	63.2	79.6	77.0
Limitation on secondary guarantees and guarantees of direct loans by another agency			79.9	
Total, proposed limitations	59.7	89.9	218.1	140.9

FISCAL YEAR 1980 COMPARISON OF REVISED SECOND BUDGET RESOLUTION WITH SECOND BUDGET RESOLUTION

[In billions of dollars]

	Second Resolution Nov. 28, 1979	Revised Second Resolution Mar. 26, 1980	Difference revised Second Resolution over (+) under (−) Second Resolution
Revenues	517.8	528.8	+11.0
Budget authority	638.0	657.2	+19.2
Outlays	547.6	567.0	+19.4
Deficit	29.8	38.2	+8.4
Debt subject to limit	886.4	896.7	+10.3
050 National defense:			
Budget authority	141.2	142.5	+1.3
Outlays	129.9	132.7	+2.8
150 International affairs:			
Budget authority	13.1	15.8	+2.7
Outlays	8.4	10.1	+1.7
250 General science, space, and technology:			
Budget authority	5.85	6.1	+.25
Outlays	5.7	5.9	+.2
270 Energy:			
Budget authority	39.5	40.3	+.8
Outlays	7.25	6.7	−.55
300 Natural resources and environment:			
Budget authority	12.6	12.3	−.3
Outlays	11.9	12.9	+1.0
350 Agriculture:			
Budget authority	5.0	5.0	
Outlays	2.55	5.9	+3.35
370 Commerce and housing credit:			
Budget authority	6.8	10.1	+3.3
Outlays	2.85	5.4	+2.55
400 Transportation:			
Budget authority	19.5	21.0	+1.5
Outlays	18.6	19.4	+.8
450—Community and regional development:			
Budget authority	8.9	8.7	−.2
Outlays	8.35	9.4	+1.05
500 Education, training, employment, and social services:			
Budget authority	30.9	29.9	−1.0
Outlays	31.0	30.3	−.7

FISCAL YEAR 1980 COMPARISON OF REVISED SECOND BUDGET RESOLUTION WITH SECOND BUDGET RESOLUTION—Continued

[In billions of dollars]

	Second Resolution Nov. 28, 1979	Revised Second Resolution Mar. 26, 1980	Difference revised Second Resolution over (+) under (−) Second Resolution
550 Health:			
Budget authority	58.8	59.9	+1.1
Outlays	54.45	56.5	+2.05
600 Income security:			
Budget authority	218.5	223.0	+4.5
Outlays	190.0	190.0	----------
700 Veterans benefits and services:			
Budget authority	21.45	21.0	−.45
Outlays	20.8	20.3	−.5
750 Administration of justice:			
Budget authority	4.2	4.3	+.1
Outlays	4.4	4.4	----------
800 General government:			
Budget authority	4.45	4.5	+.05
Outlays	4.2	4.4	+.2
850 General purpose fiscal assistance:			
Budget authority	9.05	8.6	−.45
Outlays	9.05	8.6	−.45
900 Interest:			
Budget authority	58.1	65.5	+7.4
Outlays	58.1	65.5	+7.4
920 Allowances:			
Budget authority	−.2	1.0	+1.2
Outlays	−.2	.9	+1.1
950 Undistributed offsetting receipts:			
Budget authority	−19.7	−22.3	−2.6
Outlays	−19.7	−22.3	−2.6

FISCAL YEAR 1981 COMPARISON OF BUDGET COMMITTEE RECOMMENDATION WITH PRESIDENT'S JANUARY BUDGET REESTIMATED

[In billions of dollars]

	Fiscal year 1981		
	Resolution request reestimated by CBO Mar. 12, 1980	House reported Mar. 26, 1980	Difference recommendation over (+) under (−) President reestimated
Revenues	614.0	613.8	−0.2
Budget authority	713.0	694.6	−18.4
Outlays	628.3	611.8	−16.5
Deficit/surplus	−14.3	2.0	−16.3
Debt subject to limit	942.1	926.8	−15.3
Credit	138.6	140.2	+1.6
050 National defense:			
Budget authority	162.8	160.8	−2.0
Outlays	149.3	147.9	−1.4
150 International affairs:			
Budget authority	24.6	24.0	−.6
Outlays	9.8	9.6	−.2
250 General science, space, and technology:			
Budget authority	6.9	6.7	−.2
Outlays	5.4	6.3	−.1
270 Energy:			
Budget authority	8.0	7.5	−.5
Outlays	8.7	7.1	−1.6
300 Natural resources and environment:			
Budget authority	13.3	12.0	−1.3
Outlays	13.1	12.4	−.7
350 Agriculture:			
Budget authority	5.5	5.4	−.1
Outlays	2.4	2.3	−.1
370 Commerce and housing credit:			
Budget authority	6.1	5.1	−1.0
Outlays	.9	−.1	−1.0
400 Transportation:			
Budget authority	23.6	22.8	−.8
Outlays	20.5	19.5	−1.0

FISCAL YEAR 1981 COMPARISON OF BUDGET COMMITTEE RECOMMENDATION WITH PRESIDENT'S JANUARY BUDGET REESTIMATED—Continued

[In billions of dollars]

		Fiscal year 1981		
		Resolution request reestimated by CBO Mar. 12, 1980	House reported Mar. 26, 1980	Difference recommendation over (+) under (−) President reestimated
450	Community and regional development:			
	Budget authority	9.9	9.0	−.9
	Outlays	9.9	9.4	−.5
500	Education, training employment, and social services:			
	Budget authority	35.0	33.3	−1.7
	Outlays	32.4	30.7	−1.7
550	Health:			
	Budget authority	72.2	71.5	−.7
	Outlays	62.4	61.8	−.6
600	Income security:			
	Budget authority	254.1	252.1	−2.0
	Outlays	222.8	220.1	−2.7
700	Veterans benefits and services:			
	Budget authority	22.1	21.7	−.4
	Outlays	21.4	21.2	−.2
750	Administration of Justice:			
	Budget authority	4.7	4.2	−.5
	Outlays	4.7	4.6	−.1
800	General Government:			
	Budget authority	4.8	4.7	−.1
	Outlays	4.7	4.6	−.1
850	General purpose fiscal assistance:			
	Budget authority	9.6	6.2	−3.4
	Outlays	9.6	6.8	−2.8
900	Interest:			
	Budget authority	72.2	72.2	----------
	Outlays	72.2	72.2	----------
920	Allowances:			
	Budget authority	2.2	----------	−2.2
	Outlays	1.7	----------	−1.7
950	Undistributed offsetting receipts:			
	Budget authority	−24.6	−24.6	----------
	Outlays	−24.6	−24.6	----------