

110TH CONGRESS }  
*1st Session*

HOUSE OF REPRESENTATIVES

{ REPORT  
110-69

**CONCURRENT RESOLUTION  
ON THE BUDGET—  
FISCAL YEAR 2008**

—  
R E P O R T

OF THE

**COMMITTEE ON THE BUDGET  
HOUSE OF REPRESENTATIVES**

TO ACCOMPANY

**H. Con. Res. 99**

REVISING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2007, ESTABLISHING THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2008, AND SETTING FORTH APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2009 THROUGH 2012

together with

**ADDITIONAL AND MINORITY VIEWS**



MARCH 23, 2007.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. SPRATT, from the Committee on the Budget,  
submitted the following

R E P O R T

together with

ADDITIONAL AND MINORITY VIEWS

[To accompany H. Con. Res. 99]



## Overview of the 2008 Budget Resolution

*The new House majority promised a new direction for the country.*—We pledged that we would work together to restore our economic health, reclaim our leadership position in the world, advance our national security, and invest in the future. We promised to restore fiscal responsibility and began by instituting tough pay-as-you-go rules.

*In the first 100 hours of the 110th Congress, the House began to make good on our promises.*—With bipartisan support, we passed budget procedures enforcing discipline and transparency in congressional spending. With bipartisan support, we also passed legislation to implement recommendations of the 9/11 Commission, increased the minimum wage, paved the way for lower prescription drug costs, cut student loan costs, and redirected oil subsidies towards investments in renewable energy. We did all of this while maintaining our commitment to fiscal discipline.

*The 2008 budget resolution advances these priorities.*—The budget balances in 2012 while accommodating additional tax relief for millions of middle-income families. It allocates funding for national priorities like children's health care and education. It begins to reverse six years of disinvestment in education, infrastructure, and innovation. The budget resolution is the crucial next step to realize the initiatives we have developed, to move the country forward, and to set us on a course to build the future we want for our children and grandchildren.

*Correcting the fiscal course of the country cannot be achieved overnight.*—The fiscal outlook we are confronting has deteriorated dramatically over the past six years. In 2001, the Administration inherited a projected ten-year (2002–2011) budget surplus of \$5.6 trillion. Within two years, that surplus was gone and the United States began accumulating a mountain of national debt, adding \$2.8 trillion to our federal debt burden since 2001. Most of this debt has been purchased by foreign investors, making the U.S. economy more susceptible to economic and political pressure from abroad.

*We have a responsibility to clean up the fiscal mess that we have inherited.*—Deficits matter. The choice to live beyond our means comes at the expense of our children and grandchildren who will have to pay off that debt. Deficits also hurt economic growth by depressing national saving, generating less capital for investment for the future. This leads to lower productivity and wages. The President's budget continues the fiscal approach that has brought us large deficits and growing debt. By contrast, the 2008 budget resolution takes a necessary step towards eliminating our long-term budget deficit by adhering to the pay-as-you-go principle.

*A balanced budget must be accompanied by balanced priorities.*— While regaining control over our economic future is critical, we must do so within the context of honoring our obligations. For the first time in six years, the congressional budget resolution will return the federal budget to balance, in 2012, while providing sufficient resources to defend our country, deliver critical services to children and families, grow the economy, and preserve our planet.

### **2008 Budget Resolution: Investing in the Future**

The 2008 budget is a critical step toward fulfillment of the commitments we have made to the American people. Within the context of a balanced budget, the resolution achieves key objectives in six areas:

#### Fiscal Responsibility

- Leads to a budget surplus in 2012 and years thereafter, in contrast to the President's budget which remains in deficit
- Provides for greater deficit reduction than the Administration over five years
- Upholds the pay-as-you-go principle

#### Defending Our Nation

- Provides robust defense funding levels while targeting resources on the most pressing security concerns
- Increases funding for veterans' health care and services by \$5.4 billion (14.4 percent) above current services
- Provides more homeland security funding than the Administration
- Provides funding for the 9/11 Commission recommendations

#### Putting Children and Families First

- Facilitates an increase of \$50 billion to expand children's health insurance to cover millions of additional uninsured children
- Provides \$3.0 billion over current services, and \$7.9 billion more than the President, for education, training, and social services, which means more funding for No Child Left Behind, special education, and aid to help students afford college
- Accommodates relief from the Alternative Minimum Tax for millions of middle-income taxpayers, as well as extension of middle-income tax cuts
- Increases funds for Head Start and child care
- Provides new funding to assist communities and rebuild housing in the aftermath of Hurricane Katrina
- Rejects the President's cut to the Social Services Block Grant program
- Includes an affordable housing initiative

#### Growing Our Economy

- Begins to reverse six years of high deficits and mounting debt
- Funds the House Leadership's innovation agenda, putting us on a path to double funding for NSF and providing significant increases in K–12 math and science education

- Accommodates policies to renew and re-authorize the farm bill
- Provides funding to reauthorize FAA programs and fully funds the highway bill
- Increases funding for programs such as Community Development Block Grants to promote economic development in local communities

#### Preserving Our Planet

- Accommodates comprehensive energy legislation promoting renewable energy, moving toward energy independence
- Increases conservation funding
- Rejects Administration cuts in the Environmental Protection Agency and in environmental programs

#### An Accountable and Efficient Government

- Institutes tough program integrity initiatives to crack down on wasteful or fraudulent spending in Social Security, Medicare, and Unemployment Insurance programs
- Supports IRS enforcement to collect unpaid taxes from those who are not paying what they owe, helping to close the roughly \$300 billion tax gap
- Provides resources to reduce huge backlogs in claims processing in the Veterans Administration and Social Security Administration
- Directs committees to identify wasteful and lower priority spending that can be cut in order to fund more pressing needs.

### ECONOMIC ASSUMPTIONS

The budget resolution adopts the economic forecast of the Congressional Budget Office (CBO) and takes CBO's March 2007 projections of spending and revenues under current law as the baseline. CBO's economic forecast is similar to the Blue Chip consensus forecast. Historically, CBO's economic forecast has proven to be slightly more accurate than that of the Administration.

CBO's economic assumptions include the following:

*Unemployment:* CBO expects the unemployment rate to rise from an estimated 4.6 percent in 2006 to 4.7 percent in 2007 and 4.9 percent in 2008. The unemployment rate is assumed to average 5.0 percent for the remainder of the budget window.

*Interest Rates:* Interest rates are projected to remain relatively low throughout the five-year budget window. Short-term interest rates are projected to come down slightly after 2007, dropping to an average of 4.4 percent over the last four years of the budget window. Long-term rates are projected to increase in the latter years of the budget window, reaching an average of 5.2 percent over 2009–2012.

*Real GDP Growth:* Real GDP growth is projected to be modest over the budget window. CBO projects that growth will slow in 2007, moderating to just below 3 percent over the last four years of the budget window.

*Inflation:* Inflation remains relatively low over the forecast. Most of the major inflation indices average around 2 percent throughout the budget window.

The Administration assumes tax bases grow at a more rapid rate than CBO projects. This and other differences in the economic forecast result in the Administration's forecast showing an extra \$154.2 billion in revenue in 2012 alone, and \$422.3 billion more over five years compared with CBO's March forecast.

The budget resolution matches the level of revenues under the CBO baseline in each year over the 2007–2012 period. By following the baseline path, the budget resolution achieves current-law total revenue levels, but does not necessarily assume maintaining current tax law. Thus, the budget resolution accommodates reform of the Alternative Minimum Tax and extension of tax cuts benefitting middle-income households (including the child tax credit, marriage penalty relief, the 10 percent bracket, and the deduction for State and local sales taxes), as long as such changes to tax law are accomplished in a deficit-neutral manner over the 2007–2012 and 2007–2017 periods. The budget resolution also accommodates deficit-neutral extension of other expiring tax provisions, such as the research and experimentation tax credit and the deduction for small business expensing. In addition, the resolution accommodates deficit-neutral elimination of estate taxes on all but a minute fraction of estates by reforming and substantially increasing the unified tax credit. It also accommodates other high priority deficit-neutral revenue adjustments, such as providing a tax credit for local bonds to support the repair or construction of public schools.

Under the Bush Administration (since January 2001) the federal debt has increased by \$3.1 trillion, and the debt limit has been raised four times. The current debt limit of \$8.965 trillion is expected to be reached in the fall of 2007, approximately the time that the first new fiscal year covered by this resolution begins.

**TITLE I—RECOMMENDED LEVELS AND AMOUNTS**  
**EXPLANATION OF COMMITTEE RECOMMENDATIONS BY**  
**FUNCTION**

**FUNCTION 050: NATIONAL DEFENSE**

FUNCTION SUMMARY

The National Defense function includes the military activities of the Department of Defense (DoD), the nuclear-weapons related activities of the Department of Energy (DoE) and the National Nuclear Security Administration, the national security activities of several other agencies such as the Selective Service Agency, and portions of the activities of the Coast Guard and the Federal Bureau of Investigation. The programs in this function include: the pay and benefits of active, Guard, and reserve military personnel; DoD operations including training, maintenance of equipment, and facilities; health care for military personnel and dependents; procurement of weapons; research and development; construction of military facilities, including housing; research on nuclear weapons; and the cleanup of nuclear weapons production facilities.

FUNCTION LEVELS AND PRIORITIES

FUNCTION 050: National Defense  
 [In billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	525.8	507.0	534.7	545.2	550.9	559.8	2,697.6
Outlays .....	534.3	514.4	524.4	536.4	547.6	548.2	2,671.0
Discretionary:							
Budget Authority .....	522.4	503.8	531.6	542.0	548.0	556.9	2,682.4
Outlays .....	531.1	511.1	521.2	533.2	544.7	545.3	2,655.6
Mandatory Spending:							
Budget Authority .....	3.4	3.1	3.1	3.2	2.9	2.9	15.1
Outlays .....	3.2	3.3	3.2	3.2	2.9	2.9	15.4

The defense of our nation ranks first among our priorities, and this budget resolution accordingly provides robust funding for Function 050 (National Defense). This resolution calls, however, for a reallocation of resources to address threats facing the nation and to guarantee first-rate health care for members of our armed forces. The resolution includes assumptions on specific defense policy in Title IV, Section 402.

The National Commission on Terrorist Attacks Upon the United States (commonly referred to as the 9/11 Commission) identified terrorists with weapons of mass destruction as one of the nation's gravest threats. It recommended that Congress supply more resources to secure nuclear weapons and the fissile materials used in making these weapons. It is the policy of this budget resolution that non-proliferation programs, such as the Cooperative Threat Reduction program, be given greater priority and higher funding.

High among our priorities is the health care guaranteed our armed forces, not only while they are in harm's way, but when they return from combat with injuries. For that reason, this resolution opposes Tricare fee increases and calls for a substantial increase in the veterans' health care system. The budget resolution notes the upcoming recommendations of the President's Commission on Care for America's Returning Wounded Warriors and other government investigations in connection with the substandard care at Walter Reed Army Medical Center, and allows funds for action when those recommendations are received.

It is the policy of the resolution that acquisition programs such as missile defense and satellite procurement be funded at lower, but still robust levels. Development of space-based interceptors as part of the missile defense program should be de-emphasized and satellite development and procurement should proceed along a more measured schedule. DoD's satellite programs have experienced significant cost growth and the President's request for satellite acquisition reflects a 26 percent increase above the 2007 enacted level.

The budget resolution recognizes the need for DoD to root out wasteful spending with far more diligence. Seventeen years after passage of the Chief Financial Officers Act of 1990, DoD still cannot pass a standard audit. The Department cannot adequately track what it owns or the spending in its annual budgets. DoD has allowed the cost of its major acquisition programs to grow at an unsustainable rate. The Department's major acquisition programs grew by \$317 billion above their initial projections from 2002 to 2006. DoD has awarded contracts for its foreign deployments that have been grossly more wasteful than domestic contracts, especially in Iraq. Furthermore, DoD continues to fund weapons systems that were developed years ago to counter Cold War-era threats, which may not be as effective in protecting the nation from today's threats.

Over the last six years, the Government Accountability Office (GAO) has performed numerous audits of DoD's financial management, contracting, and business practices. GAO made 2,544 recommendations, of which 1,378 have yet to be implemented. The resolution assumes that enhancing accounting practices at DoD and implementing many GAO recommendations would yield substantial savings that could be applied to meet critical defense priorities. The resolution also directs the committees with jurisdiction over defense and armed services to conduct more oversight with the objective of ferreting out wasteful practices, fraud, and abuse.

For mandatory programs, the budget resolution matches the President's assumptions regarding offsetting receipts.



## FUNCTION 150: INTERNATIONAL AFFAIRS

### FUNCTION SUMMARY

Function 150 contains funding for all U.S. international activities, including: operating U.S. embassies and consulates throughout the world; providing military assistance to allies; aiding developing nations; dispensing economic assistance to fledgling democracies; promoting U.S. exports abroad; making U.S. payments to international organizations; and contributing to international peace-keeping efforts. Funding for all of these activities constitutes about one percent of the federal budget. The major agencies in this function include the Departments of Agriculture, State, and the Treasury; the United States Agency for International Development; and the Millennium Challenge Corporation.

### FUNCTION LEVELS AND PRIORITIES

#### FUNCTION 150: International Affairs

[In billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	28.8	34.7	35.4	35.6	36.1	36.5	178.3
Outlays .....	31.3	33.1	32.6	32.7	33.0	33.6	165.0
Discretionary:							
Budget Authority .....	32.8	35.3	35.6	36.0	36.3	36.7	179.8
Outlays .....	36.7	35.1	35.0	35.3	35.6	36.2	177.2
Mandatory Spending:							
Budget Authority .....	-4.0	-0.6	-0.2	-0.3	-0.2	-0.2	-1.5
Outlays .....	-5.4	-2.0	-2.4	-2.6	-2.6	-2.6	-12.3

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

The resolution's discretionary budget authority for 2008 is \$2.0 billion (5.9 percent) more than the amount needed to maintain purchasing power at the 2007 level. The resolution matches the President's Function 150 request for activities related to the United States' overseas military deployments and the Emergency Plan for AIDS Relief, which includes the Global HIV/AIDS Initiative. The Committee also notes the importance of adequate funding for core U.S. development assistance and other high priority programs.

Consistent with the President's budget, the resolution also provides full funding to continue agreements that the United States reached in 1998 with Israel and Egypt regarding levels of military financing and economic support.

The resolution provides additional funding for 2008 for the McGovern-Dole International Food for Education and Child Nutrition Program. This program has been demonstrated to help reduce child hunger and malnutrition, and increase enrollment and attendance in schools in beneficiary countries.

The Committee notes the large amount of unobligated funding that is still available for the Millennium Challenge Corporation, which has received almost \$6.0 billion in total appropriations from fiscal years 2004 through 2007.

The Committee also notes the strong support enjoyed by H.R. 1595, a measure designed to provide compensation to the Guamanian victims of the Imperial Japanese military occupation during World War II.

**FUNCTION 250: GENERAL SCIENCE, SPACE AND  
TECHNOLOGY**

FUNCTION SUMMARY

This function includes the National Science Foundation (NSF), programs at the National Aeronautics and Space Administration except for aviation programs, and general science programs at the Department of Energy (DOE).

FUNCTION LEVELS AND PRIORITIES

FUNCTION 250: General Science, Space, and Technology  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	25.1	27.6	28.6	29.8	31.1	32.4	149.6
Outlays .....	24.5	26.5	28.4	29.5	30.1	31.4	145.8
Discretionary:							
Budget Authority .....	25.0	27.5	28.5	29.7	31.0	32.3	149.0
Outlays .....	24.4	26.3	28.3	29.4	30.0	31.3	145.2
Mandatory Spending:							
Budget Authority .....	0.1	0.1	0.1	0.1	0.1	0.1	0.6
Outlays .....	0.1	0.1	0.1	0.1	0.1	0.1	0.6

Funding in Function 250 exceeds the funding levels in the President's budget and the current services level for all five years in the budget window. Additional increases for scientific research and education are included in Function 270 (Energy), Function 300 (Environment and Natural Resources), Function 350 (Agriculture), Function 370 (Commerce and Housing Credit), Function 400 (Transportation), Function 500 (Education, Training, Employment, and Social Services), and Function 550 (Health), all of which receive more funding than the President requested. These increases will support the goals of the House Leadership's Innovation Agenda: to put NSF funding on a path toward doubling, to train more qualified science and math teachers, and to invest in basic research on energy technologies.

**FUNCTION 270: ENERGY**

## FUNCTION SUMMARY

Function 270 contains civilian energy and environmental programs in the Department of Energy (DOE). This function also includes the Rural Utilities Service of the Department of Agriculture, the Tennessee Valley Authority, the Federal Energy Regulatory Commission, and the Nuclear Regulatory Commission. This function does not include DOE's national security activities, which are in Function 050 (National Defense), or its basic research and science activities, which are in Function 250 (General Science, Space and Technology).

## FUNCTION LEVELS AND PRIORITIES

FUNCTION 270: Energy  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	2.9	3.2	3.1	3.1	3.2	3.3	16.0
Outlays .....	1.4	1.1	1.5	1.6	1.7	2.0	7.9
Discretionary:							
Budget Authority .....	4.2	4.6	4.5	4.6	4.7	4.8	23.1
Outlays .....	3.9	4.3	4.6	4.6	4.7	4.8	23.0
Mandatory Spending:							
Budget Authority .....	-1.2	-1.4	-1.4	-1.4	-1.4	-1.5	-7.2
Outlays .....	-2.5	-3.2	-3.1	-3.0	-3.0	-2.8	-15.1

The resolution provides funding above the President's request and the level needed to maintain current services for Function 270. This increased funding could be used for research, development, and deployment of renewable and alternative energy technology and resources.

This resolution establishes a reserve fund to facilitate the development of conservation and efficiency technologies, clean domestic renewable energy resources, and alternative fuels that will reduce our reliance on foreign oil. The federal government, and particularly the Department of Energy, should take the lead in research and development, and to that end, this resolution includes an increase in Function 270 above baseline, while emphasizing that this is a first step toward increases that need to come soon and be substantial.

In the meantime, the Department of Energy should husband its resources and program work at the national laboratories to advance the technologies of energy conservation and efficiency and of clean, renewable energy. Other agencies and departments of the government should join this effort. This resolution recognizes, for example, the role that the Department of Agriculture could take in developing new energy sources such as cellulosic ethanol, and approves this mission among those cited in Function 350.

Funding sources for research and development are scattered throughout the budget. These sources need to be inventoried, and

where possible, refocused on research and development of clean and renewable energies.

**FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT**

FUNCTION SUMMARY

Function 300 includes programs concerned with environmental protection and enhancement; recreation and wildlife areas; and the development and management of the nation's land, water, and mineral resources. It includes programs within the following federal departments and agencies: Agriculture, Commerce, Interior, Transportation, the Army Corps of Engineers, and the Environmental Protection Agency (EPA).

FUNCTION LEVELS AND PRIORITIES

FUNCTION 300: Natural Resources and Environment  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008-2012
Total Spending:							
Budget Authority .....	31.3	32.8	33.5	34.5	35.2	36.2	172.2
Outlays .....	32.9	34.9	35.3	35.6	36.0	36.5	178.3
Discretionary:							
Budget Authority .....	30.4	31.4	32.2	33.0	33.9	34.8	165.3
Outlays .....	32.0	34.1	34.3	34.4	34.9	35.3	173.0
Mandatory Spending:							
Budget Authority .....	1.0	1.4	1.3	1.4	1.2	1.4	6.8
Outlays .....	1.0	0.8	1.0	1.2	1.0	1.3	5.2

The resolution rejects the President's proposed cuts to priority programs, such as the Land and Water Conservation Fund, the Fish and Wildlife Service's wildlife refuge system, the EPA's grants to States and Tribes to address water and air quality, and other EPA programs. It also includes funding to address high-priority brownfield redevelopment concerns. In addition, the resolution accommodates the President's recommendation to increase funding for the operation and maintenance of the national park system.

The resolution also includes a deficit-neutral reserve fund to facilitate the reauthorization of the farm bill, providing resources for such objectives as to secure an economic safety net for agricultural producers, conserve our natural resources, and address nutrition needs.

**FUNCTION 350: AGRICULTURE****FUNCTION SUMMARY**

Function 350 includes farm income stabilization, agricultural research, and other services administered by the U.S. Department of Agriculture. The discretionary programs include research and education programs, economics and statistics services, administration of the farm support programs, farm loan programs, meat and poultry inspection, and a portion of the Public Law (P.L.) 480 international food aid program. The mandatory programs include commodity programs, crop insurance, and certain farm loans.

**FUNCTION LEVELS AND PRIORITIES****FUNCTION 350: Agriculture**

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	21.5	20.4	20.9	21.1	21.2	21.4	105.0
Outlays .....	19.7	19.5	20.1	20.1	20.4	20.9	101.0
<b>Discretionary:</b>							
Budget Authority .....	5.8	5.8	6.0	6.1	6.3	6.5	30.7
Outlays .....	5.8	5.8	5.9	6.1	6.2	6.4	30.4
<b>Mandatory Spending:</b>							
Budget Authority .....	15.7	14.6	15.0	15.0	14.9	15.0	74.3
Outlays .....	13.9	13.7	14.1	14.1	14.2	14.5	70.6

The budget resolution provides sufficient funding to bolster commodity support, agricultural research, and animal and plant inspection programs. The resolution also includes a deficit-neutral reserve fund to facilitate the reauthorization of the farm bill, providing resources for such objectives as to secure an economic safety net for agricultural producers, conserve our natural resources, and address nutrition needs.

**FUNCTION 370: COMMERCE AND HOUSING CREDIT****FUNCTION SUMMARY**

Function 370 includes mortgage credit, the Postal Service, deposit insurance, and other advancement of commerce (the majority of the discretionary and mandatory spending in this function).

The mortgage credit component of this function includes housing assistance through the Federal Housing Administration, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), and rural housing programs of the Department of Agriculture. The function also includes net postal service spending and spending for deposit insurance activities of banks, thrifts, and credit unions. Most of the Commerce Department is provided for in this function, including the International Trade Administration, Bureau of Economic Analysis, Patent and Trademark Office, National Institute of Standards and Technology, National Telecommunications and Information Administration, and the Bureau of the Census. Finally, the function also includes funding for independent agencies such as the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Federal Trade Commission, the Federal Communications Commission, and the majority of the Small Business Administration.

**FUNCTION LEVELS AND PRIORITIES****FUNCTION 370: Commerce and Housing Credit**

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	10.2	11.0	12.1	14.8	8.6	8.5	55.0
Outlays .....	1.2	3.8	3.1	4.5	1.7	0.8	13.9
<b>Discretionary:</b>							
Budget Authority .....	2.7	4.4	5.3	9.1	4.0	4.0	26.9
Outlays .....	2.9	4.4	4.9	7.1	5.7	4.5	26.6
<b>Mandatory Spending:</b>							
Budget Authority .....	7.5	6.6	6.8	5.7	4.6	4.5	28.1
Outlays .....	-1.8	-0.6	-1.8	-2.7	-4.0	-3.7	-12.7

The discretionary function total includes significantly increased funding for the Bureau of Census, reflecting continued preparation for the 2010 census. For 2008, and over the following four years, funding in Function 370 is above the level in the President's budget.



**FUNCTION 400: TRANSPORTATION**

## FUNCTION SUMMARY

Function 400 consists mostly of the programs administered by the Department of Transportation, including programs for highways, mass transit, aviation, and maritime activities. This function also includes two components of the Department of Homeland Security: the Coast Guard and the Transportation Security Administration. In addition, this function includes several small transportation-related agencies and the research program for civilian aviation at the National Aeronautics and Space Administration (NASA).

## FUNCTION LEVELS AND PRIORITIES

## FUNCTION 400: Transportation

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	81.3	82.7	76.3	77.3	78.3	79.2	393.7
Outlays .....	74.7	80.8	83.9	86.1	87.0	88.8	426.7
Discretionary:							
Budget Authority .....	26.1	25.4	27.5	28.3	29.1	30.0	140.3
Outlays .....	73.0	78.5	83.9	84.7	86.5	415.3	
		D81.7					
Mandatory Spending:							
Budget Authority .....	55.2	57.3	48.8	49.0	49.1	49.2	253.4
Outlays .....	1.7	2.3	2.2	2.2	2.3	2.3	11.4

The resolution fully funds the highway, safety, and transit programs authorized in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Specifically, this resolution includes both the revenue aligned budget authority (RABA) and the funding for transit capital projects that the President's 2008 budget cuts. In addition, this resolution maintains Amtrak, provides additional funding for grants to airports, and rejects the President's cuts to aviation programs within NASA.

**FUNCTION 450: COMMUNITY AND REGIONAL  
DEVELOPMENT**

FUNCTION SUMMARY

Function 450 includes federal programs to improve community economic conditions, promote rural development, and assist in federal preparations for and response to disasters. This function provides appropriated funding for the Community Development Block Grant, Department of Agriculture rural development programs, the Bureau of Indian Affairs, the Federal Emergency Management Agency, and other disaster mitigation and community development-related programs. It also provides mandatory funding for the federal flood insurance program.

FUNCTION LEVELS AND PRIORITIES

FUNCTION 450: Community and Regional Development

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	15.7	15.0	13.9	14.1	14.3	14.5	71.9
Outlays .....	28.3	22.0	20.5	19.2	17.6	15.1	94.5
Discretionary:							
Budget Authority .....	13.0	13.7	13.9	14.1	14.3	14.5	70.6
Outlays .....	25.7	21.0	20.7	19.5	17.9	15.3	94.3
Mandatory Spending:							
Budget Authority .....	2.8	1.3	0.0	0.0	0.0	0.0	1.4
Outlays .....	2.6	1.1	-0.2	-0.2	-0.2	-0.2	0.2

The budget resolution provides more than the President's 2008 discretionary funding level for Function 450, rejecting the President's cuts to the Community Development Block Grant (CDBG) program and providing additional funds for this and other key priorities like rural development and disaster preparedness.

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

FUNCTION SUMMARY

Function 500 includes funding for the Department of Education, social services programs within the Department of Health and Human Services, and employment and training programs within the Department of Labor. It also contains funding for the Library of Congress and independent research and art agencies such as the Corporation for Public Broadcasting, the Smithsonian Institution, the National Gallery of Art, the John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, and the National Endowment for the Humanities.

FUNCTION LEVELS AND PRIORITIES

FUNCTION 500: Education, Training, Employment and Social Services  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	92.8	92.5	96.8	98.3	98.4	98.7	484.7
Outlays .....	92.2	91.1	94.0	96.0	97.3	96.9	475.3
Discretionary:							
Budget Authority .....	80.3	82.3	85.9	86.8	87.6	88.5	431.1
Outlays .....	80.4	82.4	84.5	85.9	87.0	87.9	427.7
Mandatory Spending:							
Budget Authority .....	12.5	10.1	10.9	11.6	10.8	10.2	53.6
Outlays .....	11.9	8.8	9.5	10.1	10.3	9.0	47.6

The 2008 budget resolution specifically rejects the President's cuts to education, including his plan to eliminate many education programs. The resolution also rejects the President's steep cuts to job training and social services programs, including the Community Services Block Grant and the Social Services Block Grant.

In contrast to the President's funding cuts, the budget resolution makes a down payment towards addressing long-standing needs in education, training, and social services. To that end, the resolution provides an appropriated program level for Function 500 that is \$7.9 billion above the 2008 level in the President's budget. Those additional resources include \$5.9 billion in 2008 funding and an increase of \$2 billion in advance 2009 funding.

The resolution's increased funding could be used for vital programs that help children and adults who most need assistance, including Head Start, Title I and other elementary and secondary education programs authorized under the No Child Left Behind Act, and employment training and national service programs such as VISTA. The additional funding also could bolster the federal government's commitment to cover a growing share of the cost of special education under the Individuals with Disabilities Education Act. Finally, the increased funds could help secure college access, equity, and success for every American by raising the maximum Pell Grant to at least \$4,600, maintaining Supplemental Opportunity Educational Grants and the Leveraging Educational Assis-

ance Partnerships, and broadening access to Hispanic-serving institutions, Historically Black Colleges and Universities, and other high-quality educational opportunities.

The resolution also contains a reserve fund to accommodate legislation that makes college more affordable.

**FUNCTION 550: HEALTH****FUNCTION SUMMARY**

Function 550 includes most direct health care services programs. Other health programs in this function fund anti-bioterrorism activities, national biomedical research, protecting the health of the general population and workers in their places of employment, providing health services for under-served populations, and promoting training for the health care workforce. Some of the agencies funded in this function include the National Institutes of Health (NIH), Centers for Disease Control and Prevention, Health Resources and Services Administration, and the Food and Drug Administration. The major mandatory programs in this function are Medicaid, the State Children's Health Insurance Program (SCHIP), federal and retirees' health benefits, and health care for Medicare-eligible military retirees.

**FUNCTION LEVELS AND PRIORITIES**

FUNCTION 550: Health  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	267.9	286.8	307.8	325.9	347.6	370.8	1,638.9
Outlays .....	268.2	286.3	306.0	325.7	346.6	369.7	1,634.3
Discretionary:							
Budget Authority .....	52.1	54.2	57.5	56.5	57.7	58.9	284.8
Outlays .....	52.7	54.1	55.5	56.1	56.6	57.7	280.0
Mandatory Spending:							
Budget Authority .....	215.8	232.5	250.3	269.4	289.9	311.9	1,354.1
Outlays .....	215.5	232.2	250.5	269.6	290.0	312.0	1,354.3

The discretionary resources for Function 550 for 2008 represent an increase over both the 2007 level and the President's request. The resolution increases resources for public health programs to provide for advances in science, improvements in health, access to quality health care for underserved populations, and other critical programs.

Programs in Function 550 are also addressed in the resolution's deficit-neutral reserve funds for SCHIP and for Transitional Medical Assistance.

## FUNCTION 570: MEDICARE

### FUNCTION SUMMARY

Function 570 (Medicare) includes only the Medicare program, which provides health insurance to senior citizens and persons with disabilities. Congress provides an annual appropriation for the costs of administering and monitoring the Medicare program. Nearly 99 percent of spending in this function occurs on the mandatory side of the budget, and almost all of the mandatory spending consists of payments for Medicare benefits.

### FUNCTION LEVELS AND PRIORITIES

#### FUNCTION 570: Medicare [in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	365.2	389.6	416.7	442.4	489.1	486.8	2,224.6
Outlays .....	370.2	389.7	416.4	442.6	489.1	486.4	2,224.2
Discretionary:							
Budget Authority .....	4.8	5.0	5.2	5.4	5.7	6.0	27.3
Outlays .....	4.9	5.0	5.2	5.4	5.7	5.9	27.2
Mandatory Spending:							
Budget Authority .....	360.4	384.6	411.5	436.9	483.4	480.9	2,197.3
Outlays .....	365.3	384.7	411.2	437.2	483.5	480.5	2,197.0

The resolution assumes the extension of Medicare premium assistance for qualified individuals with incomes between 120 and 135 percent of the federal poverty level and limited financial resources. The resolution assumes that savings from Medicare program efficiency improvements will offset the costs of extending the premium assistance program as well other initiatives to improve the Medicare program for beneficiaries.

The resolution assumes targeted assistance to hospitals with 100 beds or more that have faced a reduction in Medicare disproportionate share hospital payments due to assignment to a Micropolitan area.

The resolution accommodates a discretionary cap adjustment of \$183 million for additional activities aimed at detecting and preventing Medicare fraud. The Health Care Fraud and Abuse Control program—a joint effort of the Department of Health and Human Services, the HHS Office of Inspector General, and the Department of Justice—generated roughly \$4 in program savings for every dollar spent in 2004 and 2005.

The resolution also contains a reserve fund to accommodate legislation for Medicare program improvements.

## FUNCTION 600: INCOME SECURITY

### FUNCTION SUMMARY

Function 600 consists of a range of income security programs that provide cash or near-cash assistance (e.g., housing, nutrition, and energy assistance) to low-income persons, and benefits to certain retirees, persons with disabilities, and the unemployed. Housing assistance programs account for the largest share of discretionary funding in this function. Major federal entitlement programs in this function include unemployment insurance, trade adjustment assistance income support, food stamps, Temporary Assistance to Needy Families, foster care, and Supplemental Security Income. Federal and other retirement and disability programs comprise approximately one third of the funds in this function.

### FUNCTION LEVELS AND PRIORITIES

#### FUNCTION 600: Income Security

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	360.4	379.9	391.1	401.4	417.0	402.9	1,992.3
Outlays .....	364.2	383.5	393.5	402.4	416.9	402.1	1,998.5
<b>Discretionary:</b>							
Budget Authority .....	49.5	52.1	52.4	53.7	55.0	56.3	269.4
Outlays .....	55.7	57.3	57.2	56.9	57.1	57.6	286.1
<b>Mandatory Spending:</b>							
Budget Authority .....	310.9	327.9	338.7	347.7	362.0	346.6	1,722.9
Outlays .....	308.6	326.2	336.3	345.5	359.8	344.5	1,712.3

The budget resolution provides increased funding that could be used to meet urgent needs related to Hurricane Katrina recovery and to begin addressing long-ignored challenges facing children and families, including large backlogs in the Social Security disability system.

The resolution also includes a deficit-neutral reserve fund to facilitate the reauthorization of the farm bill, providing resources for such objectives as to secure an economic safety net for agricultural producers, conserve our natural resources, and address nutrition needs.

## FUNCTION 650: SOCIAL SECURITY

### FUNCTION SUMMARY

Function 650 consists of the two payroll tax-financed programs that are collectively known as Social Security: Old-Age and Survivors Insurance and Disability Insurance (OASDI). This function includes Social Security benefit payments and funds to administer the program. Under provisions of the Congressional Budget Act and the Budget Enforcement Act, Social Security trust funds are off-budget and do not appear in the budget resolution totals. However, a small portion of spending in Function 650—the general fund transfer of income taxes on Social Security benefits—is considered on-budget and appears in the budget resolution totals. The table and discussion below contain information pertaining to both the on-budget and off-budget components.

### FUNCTION LEVELS AND PRIORITIES

FUNCTION 650: Social Security<sup>1</sup>  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008– 2012
Total Spending:							
Budget Authority .....	587.8	615.0	646.0	681.4	719.4	762.0	3,423.9
Outlays .....	585.6	612.6	643.1	678.3	715.9	758.1	3,408.0
Discretionary:							
Budget Authority .....	4.7	4.9	5.0	5.1	5.3	5.5	25.8
Outlays .....	4.7	4.9	5.0	5.1	5.3	5.4	25.7
Mandatory Spending:							
Budget Authority .....	583.1	610.2	641.0	676.3	714.1	756.6	3,398.1
Outlays .....	580.8	607.7	638.1	673.2	710.6	752.7	3,382.3

<sup>1</sup> Includes both on- and off-budget amounts.

The resolution rejects the President's private account proposal for Social Security.

The administrative budget for the Social Security Administration (SSA) includes resources in Function 570 (Medicare) and Function 600 (Income Security) as well as Function 650. The resolution assumes a \$9.9 billion discretionary funding level for SSA. The additional resources will prevent increases in the backlogs of disability decisions and hearings that would occur under the President's budget. The resolution will enable SSA to address the significant number of individuals waiting for disability and hearing decisions.

The budget also accommodates an additional \$213 million through a discretionary cap adjustment for program integrity initiatives. The cap adjustment allows the agency to conduct an increasing number of Continuing Disability Reviews (CDRs) and Supplemental Security Income redeterminations.



## FUNCTION 700: VETERANS BENEFITS AND SERVICES

### FUNCTION SUMMARY

Function 700 covers the programs of the Department of Veterans Affairs (VA), including veterans' medical care, compensation and pensions, education and rehabilitation benefits, and housing programs. It also includes the Department of Labor's Veterans' Employment and Training Service, the United States Court of Appeals for Veterans Claims, and the American Battle Monuments Commission. Almost 90 percent of appropriated funding in Function 700 goes to veterans' health care.

### FUNCTION LEVELS AND PRIORITIES

#### FUNCTION 700: Veterans Benefits and Services

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	73.9	85.2	87.8	90.4	96.0	93.3	452.8
Outlays .....	72.3	82.8	87.7	89.7	95.4	92.6	448.2
<b>Discretionary:</b>							
Budget Authority .....	36.5	43.1	44.3	45.6	47.0	48.3	228.2
Outlays .....	35.0	40.7	44.3	45.0	46.3	47.8	224.1
<b>Mandatory Spending:</b>							
Budget Authority .....	37.4	42.1	43.5	44.8	49.1	45.0	224.5
Outlays .....	37.3	42.1	43.4	44.7	49.1	44.8	224.1

For 2008, the resolution provides \$6.6 billion of discretionary budget authority over the 2007 level, for a level that is \$3.5 billion above the 2008 funding in the President's budget. The resolution reflects the high priority of adequately funding veterans programs. The resolution rejects the veterans' health care enrollment fees and co-payment increases that were imposed by the President's budget.

The resolution provides full funding to support excellent health care for veterans and current service members. In particular, the resolution provides funding to begin implementing future recommendations of the President's Commission on Care for America's Returning Wounded Warriors (the bi-partisan "Walter Reed Commission") and other United States Government investigations into military and veterans' health care facilities and services.

The resolution provides additional funding in Function 700 above the President's requested levels for 2008 to address important priorities including veterans' mental health, post-traumatic stress disorder, traumatic brain injury, and spinal cord injury. The resolution also has additional funding for disability compensation claims processing so that VA can significantly reduce the inventory of pending claims.

**FUNCTION 750: ADMINISTRATION OF JUSTICE****FUNCTION SUMMARY**

The Administration of Justice function consists of federal law enforcement programs, litigation and judicial activities, correctional operations, and state and local justice assistance. Agencies within this function include: the Federal Bureau of Investigation; the Drug Enforcement Administration; Border and Transportation Security; the Bureau of Alcohol, Tobacco, Firearms and Explosives; the United States Attorneys; legal divisions within the Department of Justice; the Legal Services Corporation; the federal Judiciary; and the Federal Bureau of Prisons. This function includes several components of the Department of Homeland Security.

**FUNCTION LEVELS AND PRIORITIES**

## FUNCTION 750: Administration of Justice

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	45.5	46.9	46.1	47.2	48.4	49.6	238.2
Outlays .....	44.7	46.2	47.3	47.5	48.2	49.2	238.3
<b>Discretionary:</b>							
Budget Authority .....	44.3	44.7	45.4	46.6	47.9	49.3	234.0
Outlays .....	43.4	45.0	46.2	46.7	47.8	49.0	234.7
<b>Mandatory Spending:</b>							
Budget Authority .....	1.3	2.3	0.7	0.6	0.4	0.3	4.3
Outlays .....	1.3	1.1	1.1	0.8	0.4	0.2	3.7

For Function 750, the budget resolution rejects the cuts to local law enforcement and first responders in the President's budget, including cuts to the Edward Byrne Memorial Justice Assistance Grant program. The resolution provides funding above the President's budget level for 2008 for that purpose and for purposes such as protecting the borders and funding the 9/11 Commission recommendations.

**FUNCTION 800: GENERAL GOVERNMENT****FUNCTION SUMMARY**

This function includes the activities of the White House and the Executive Office of the President, the legislative branch, and programs designed to carry out the legislative and administrative responsibilities of the federal government, including personnel management, fiscal operations, and property control.

**FUNCTION LEVELS AND PRIORITIES****FUNCTION 800: General Government**

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	18.2	18.6	19.3	19.9	20.6	21.4	99.8
Outlays .....	18.6	19.0	19.3	19.8	20.4	21.2	99.7
<b>Discretionary:</b>							
Budget Authority .....	16.1	16.8	17.3	17.9	18.5	19.0	89.5
Outlays .....	16.5	17.0	17.5	17.8	18.2	18.7	89.2
<b>Mandatory Spending:</b>							
Budget Authority .....	2.1	1.8	1.9	2.0	2.2	2.3	10.3
Outlays .....	2.1	2.0	1.9	1.9	2.2	2.5	10.5

The budget resolution includes a program integrity initiative to increase Internal Revenue Service tax compliance efforts to collect unpaid taxes from those who are not paying what they owe. The funding in this function is adequate to provide for the reestablishment of the Office of Technology Assessment.

**FUNCTION 900: NET INTEREST****FUNCTION SUMMARY**

Function 900 consists primarily of the interest paid by the federal government to private and foreign government holders of U.S. Treasury securities. This amount is slightly offset by interest income received by the federal government on loans and cash balances and by earnings of the National Railroad Retirement Investment Trust.

**FUNCTION LEVELS AND PRIORITIES****FUNCTION 900: Net Interest <sup>1</sup>**

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	236.6	254.6	264.9	277.8	283.8	282.2	1,363.3
Outlays .....	236.6	254.6	264.9	277.8	283.8	282.2	1,363.3
<b>Discretionary:</b>							
Budget Authority .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Mandatory Spending:</b>							
Budget Authority .....	236.6	254.6	264.9	277.8	283.8	282.2	1,363.3
Outlays .....	236.6	254.6	264.9	277.8	283.8	282.2	1,363.3

<sup>1</sup> Includes both on- and off-budget amounts.

In recent years, the Federal government's net interest payments on its debt have grown dramatically. Between 2003 and 2006, net interest increased by 48.1 percent, rising from \$153.1 billion in 2003 to \$226.7 billion in 2006. In 2006, net interest comprised one of the largest components of the federal budget, exceeding spending on education, veterans' affairs, and homeland security combined.



**FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS****FUNCTION SUMMARY**

This function comprises major offsetting receipt items that would distort the funding levels of other functional categories if they were distributed to them.

**FUNCTION LEVELS AND PRIORITIES****FUNCTION 950: Undistributed Offsetting Receipts <sup>1</sup>**

[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
<b>Total Spending:</b>							
Budget Authority .....	-82.0	-83.9	-80.2	-81.5	-85.0	-88.3	-419.0
Outlays .....	-82.0	-83.9	-80.3	-81.5	-85.1	-88.3	-419.0
<b>Discretionary:</b>							
Budget Authority .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Mandatory Spending:</b>							
Budget Authority .....	-82.0	-83.9	-80.2	-81.5	-85.0	-88.3	-419.0
Outlays .....	-82.0	-83.9	-80.3	-81.5	-85.1	-88.3	-419.0

<sup>1</sup> Includes both on- and off-budget amounts.

The negative spending in Function 950 represents CBO's base-line estimate of undistributed offsetting receipts.

**FUNCTION 970: OVERSEAS DEPLOYMENTS AND OTHER  
ACTIVITIES**

FUNCTION DESCRIPTION

This function includes funding for overseas deployments and other activities.

FUNCTION SUMMARY

FUNCTION 970: Overseas Deployments and Other Activities  
[in billions of dollars]

	2007	2008	2009	2010	2011	2012	2008- 2012
Total Spending:							
Budget Authority .....	124.3	145.2	50.0	0.0	0.0	0.0	195.2
Outlays .....	31.5	114.9	109.4	42.3	13.6	4.5	284.7
Discretionary:							
Budget Authority .....	124.3	145.2	50.0	0.0	0.0	0.0	195.2
Outlays .....	31.5	114.9	109.4	42.3	13.6	4.5	284.7
Mandatory Spending:							
Budget Authority .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays .....	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The resolution includes the House-passed supplemental for 2007 (H.R. 1591) and, as a placeholder, accommodates up to the President's funding levels for overseas deployments and related activities in 2008 and 2009.





## TITLE II—RESERVE FUNDS

### *Section 201. Reserve fund for the State Children's Health Insurance Program*

The reserve fund accommodates the Committee on Energy and Commerce reporting legislation of up to \$50 billion in additional outlays to improve children's health through reauthorization of the State Children's Health Program (SCHIP) as long as the authorizing legislation placed before the House complies with the pay-as-you-go principle. These additional resources will sustain current caseloads, expand coverage, and reduce the number of uninsured children. Of the over nine million uninsured children in this nation, around six million are eligible for SCHIP or Medicaid but do not receive coverage.

### *Section 202. Reserve fund for reform of the alternative minimum tax*

The reserve fund for Alternative Minimum Tax (AMT) relief accommodates legislation that reforms the tax code to shield middle-income families from the AMT as long as it adheres to the pay-as-you-go principle. Without reform, the number of taxpayers subject to the AMT will rise from 4.2 million in 2006 to 23.2 million in 2007 and to 25.7 million in 2008, according to the Joint Committee on Taxation.

### *Section 203. Reserve fund to provide for middle-income tax relief and economic equity*

The reserve fund for middle-income tax relief supports legislation to reduce tax burdens on middle-income families and taxpayers that complies with the pay-as-you-go principle. This includes legislation such as the extension of the 10 percent individual income tax rate, marriage penalty relief, the child tax credit, the research and experimentation tax credit, the deduction for small business expensing, and the deduction for State and local sales taxes. It also accommodates elimination of estate taxes on all but a minute fraction of estates, and a tax credit for school construction.

### *Section 204. Reserve fund for agriculture*

The reserve fund accommodates legislation that reauthorizes the Farm Security and Rural Investment Act of 2002 (Public Law 107-171) or prior farm support acts, or authorizes similar programs, or both, to the extent that such legislation complies with the pay-as-you-go principle. The section also provides for an increase in budget authority up to \$20 billion over five years (2008-2012) above the Congressional Budget Office's current estimate of spending for these programs if the funding increases are appropriately offset. The resolution allows for the House to continue to address a number of priorities, such as maintaining a strong farm safety net for our nation's agricultural producers; delivering natural resource

conservation measures on private lands; investing in energy research; and rural development projects that strengthen our rural economies; and enhancing food nutrition assistance to help fight hunger. The reserve fund could also facilitate a new farm bill that provides enhanced conservation, research, and marketing assistance to crops that have not received traditional commodity support.

*Section 205. Reserve fund for higher education*

The reserve fund accommodates reforms to the student loan programs that increase benefits to students, consistent with the pay-as-you-go principle adopted by the House. The Higher Education Act is scheduled to be reauthorized this year, and this reserve fund will provide committees maximum flexibility in finding offsets to make college more affordable for students.

*Section 206. Reserve fund for improvements in Medicare*

The reserve fund accommodates additional mandatory spending for Medicare program improvements such as increasing the Medicare reimbursement rate for physicians while holding beneficiaries harmless from associated premium increases, as long as the legislation is consistent with the House pay-as-you-go principle. Current law calls for Medicare payment rates to physicians to be cut by nearly 40 percent over the next eight years. The Committee supports Federal investments in health information technology that will improve the quality and efficiency of not only Medicare, but also the health sector as a whole. Another possible area for program improvement is the Part D prescription drug benefit.

*Section 207. Reserve fund for creating long-term energy alternatives*

The reserve fund accommodates legislation consistent with H.R. 6 that invests in renewable or alternative energy resources, promotes new emerging energy technologies, or develops greater energy efficiency, to the extent that such legislation complies with the pay-as-you-go principle.

*Section 208. Reserve fund for affordable housing*

The reserve fund accommodates legislation that creates an affordable housing fund, offset by savings from reforming the regulation of certain government-sponsored entities, such as Fannie Mae and Freddie Mac, to the extent that such legislation complies with the pay-as-you-go principle.

*Section 209. Reserve fund for equitable benefits for Filipino veterans of World War II*

The reserve fund accommodates additional mandatory spending to provide equitable benefits for all Filipino veterans of World War II and their survivors and dependents, consistent with the pay-as-you-go principle. Most Filipino veterans who fought alongside American troops, and their families, are currently not eligible for equitable federal benefits.

*Section 210. Reserve fund for Secure Rural Schools and Community Self-Determination Act reauthorization*

The reserve fund accommodates any legislation that reauthorizes the Secure Rural Schools and Community Self-Determination Act (Public Law 106–393), to the extent that such legislation complies with the pay-as-you-go principle. That law provides economic assistance for roads and schools in rural communities affected by the loss of receipts from sales on federal lands in their communities. The assistance is intended to compensate local governments for the tax-exempt status of the national forests and other federal lands.

*Section 211. Reserve fund for receipts from the Bonneville Power Administration*

The resolution includes a reserve fund to accommodate legislation to reject the Administration's acceleration of Bonneville Power Administration's (BPA) debt repayment and to prohibit BPA from applying secondary sales revenue in excess of \$500 million towards additional federal debt repayment, to the extent that such legislation complies with the pay-as-you-go principle.

*Section 212. Reserve fund for Transitional Medical Assistance*

The reserve fund accommodates extension of Transitional Medical Assistance (TMA) through 2008, as long as it complies with the pay-as-you-go principle. TMA provides temporary Medicaid assistance for families transitioning to the workforce.



## **TITLE III—BUDGET ENFORCEMENT**

### *Section 301: Program Integrity Initiatives*

Section 301 provides for specific allocation adjustments for the Committee on Appropriations when the Committee reports legislation that includes increased appropriations for the following four program integrity initiatives: (1) continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration; (2) improved compliance with the provisions of the Internal Revenue Code; (3) the healthcare fraud and abuse control program at the Department of Health and Human Services; and (4) unemployment insurance improper payment reviews.

The adjustments under this section are intended to do no more than provide additional administrative funding for current program integrity activities to eliminate errors or fraud in the operation of a number of federal programs and compliance with federal tax laws. For example, the adjustment for unemployment compensation programs is provided to increase limited administrative funding for current program integrity activities, and not to finance other proposals that would adversely affect workers who have received unemployment benefits.

The section outlines procedures for these allocation adjustments. In addition, the section directs committees of the House of Representatives to include recommendations for improved governmental performance in views and estimates submitted to the Committee on the Budget pursuant to section 301(d) of the Congressional Budget Act.

### *Section 302: Advance Appropriations*

Section 302 limits the amount and type of advance appropriations for fiscal years 2009 and 2010. Under this section, advance appropriations for fiscal year 2009 or 2010 are restricted to \$25.558 billion for programs, projects, activities, or accounts identified in the joint explanatory statement of managers that will accompany this resolution. This total reflects an increase of \$2 billion over the previous limit. The section defines advance appropriations as any new discretionary budget authority provided in a bill or joint resolution making general or continuing appropriations for fiscal year 2008 that first becomes available for any fiscal year after 2008.

### *Section 303: Overseas Deployments and Emergency Needs*

Section 303 establishes a procedure whereby provisions or measures reported by the Committee on Appropriations will be exempt from the restrictions under titles III and IV of the Congressional Budget Act of 1974. The exemption will apply if: (1) the Committee determines and designates that amounts appropriated are necessary for overseas deployments and related activities; or, (2) the

Committee provides nondefense discretionary appropriations and designates those amounts as necessary to meet emergency needs.

*Section 304: Application and Effect of Changes in Allocations and Aggregates*

Section 304 details the allocation and aggregate adjustment procedures that are required to accommodate legislation for the reserve funds and program integrity initiatives in this resolution. This section provides that the adjustments shall apply while the legislation is under consideration and take effect upon enactment of the legislation. In addition, the section requires the adjustments to be printed in the Congressional Record.

The section also notes that, for purposes of enforcement, aggregate and allocation levels resulting from adjustments made pursuant to this resolution will have the same effect as if adopted in the original levels of Title I of this budget resolution. This section also provides that the Committee on the Budget shall determine the budgetary levels and estimates which are required to enforce points of order under the Congressional Budget Act.

*Section 305: Adjustments to Reflect Changes in Concepts and Definitions*

Section 305 requires the chairman of the Committee on the Budget to adjust levels and allocations in this budget resolution upon enactment of legislation that changes concepts or definitions.

*Section 306: Compliance with Section 13301 of the Budgetary Enforcement Act of 1990*

Section 306 provides that administrative expenses of the Social Security Administration shall be part of the annual appropriations process by including those expenses in the Committee on Appropriation's allocation pursuant to section 302 of the Congressional Budget Act.

*Section 307: Exercise of Rulemaking Powers*

Section 307 provides that, once adopted, the provisions of the budget resolution are incorporated into the rules of the House of Representatives and shall supersede inconsistent rules. The section recognizes the constitutional right of the House of Representatives to change those rules at any time.

**TITLE IV—POLICY**

Title IV of the resolution contains the following policy sections:

Section 401. Policy on middle-income tax relief

Section 402. Policy on defense priorities

Section 403. Policy on college affordability





## **TITLE V—SENSE OF THE HOUSE**

Title V of the resolution contains the following Sense of the House sections:

Section 501. Sense of the House on servicemembers' and veterans' health care and other priorities.

Section 502. Sense of the House on the Innovation Agenda: A commitment to competitiveness to keep America #1.

Section 503. Sense of the House on homeland security.

Section 504. Sense of the House regarding the ongoing need to respond to Hurricanes Katrina and Rita.

Section 505. Sense of the House regarding long-term sustainability of entitlements.

Section 506. Sense of the House regarding the need to maintain and build upon efforts to fight hunger.

Section 507. Sense of the House regarding affordable health coverage.

Section 508. Sense of the House regarding extension of the statutory pay-as-you-go rule.

Section 509. Sense of the House on long-term budgeting.

Section 510. Sense of the House regarding pay parity.

Section 511. Sense of the House regarding waste, fraud, and abuse.

Section 512. Sense of the House regarding the importance of child support enforcement.

Section 513. Sense of the House on state veterans cemeteries.



## **TITLE VI—RECONCILIATION**

### *Section 601. Reconciliation*

Section 601, which was included at the request of the Committee on Education and Labor, instructs that committee to report changes in law to the House to reduce the deficit by \$75,000,000 over six years, no later than September 10, 2007. Section 403 of this resolution includes policy language stating that the provision shall not be construed to require reductions in assistance that makes college more affordable for students.



## **ALLOCATIONS TO COMMITTEES**

As required by under Section 302(a) of the Congressional Budget Act of 1974, the discretionary levels established in the budget resolution are allocated to the Appropriations Committee and the mandatory spending levels are allocated to each of the authorizing committees with mandatory spending authority.

In this report, the Appropriations Committee receives an allocation for 2008 and a revised allocation for 2007. The authorizing committees receive allocations for 2008 and the five-year period 2008 through 2012 as well as a revised allocation for 2007. The authorizing committee allocation is divided into current law amounts, reauthorization, and resolution changes. Reauthorization refers to amounts for legislation due for reauthorization and that are part of the CBO baseline levels. "Resolution changes" refers to the budgetary impact of legislation enacted after the adoption of this resolution, anticipated to reflect a change from baseline levels. "Resolution changes" have previously been called "discretionary action" but the term has been changed to avoid confusion with the discretionary allocation to the Appropriations Committee.

H.R. 1591, Making Emergency Supplemental Appropriations for Fiscal Year 2007, and for Other Purposes is currently under consideration in the Congress. The bill has been scored pursuant to the terms of the Concurrent Resolution on the Budget for 2007, as deemed applicable under House Resolution 6, section 501(4)(A). The budgetary rules applicable at the time of initial consideration of the Supplemental Appropriations bill shall remain in effect until final action is taken on that measure.

## ALLOCATION OF SPENDING AUTHORITY TO HOUSE COMMITTEE ON APPROPRIATIONS

[In millions of dollars]

	2007 <sup>1</sup>	2008
<b>Discretionary Action:</b>		
BA .....	951,192	954,937
OT .....	1,029,465	1,027,192
<b>Current Law Mandatory:</b>		
BA .....	549,102	548,676
OT .....	533,495	536,972

<sup>1</sup> Revision to amounts deemed for 2007. Includes emergencies incorporated into the Congressional Budget Office March baseline.

## ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS

[In millions of dollars]

	2007 <sup>1</sup>	2008	Total 2008-2012
<b>Committee on Agriculture:</b>			
Current Law:			
BA .....	14,455	13,241	29,392
OT .....	14,270	13,054	29,398
Reauthorizations:			
BA .....		36,547	225,550
OT .....		34,665	221,808
Total:			
BA .....	14,455	49,788	254,942
OT .....	14,270	47,719	251,206
<b>Committee on Armed Services:</b>			
Current Law:			
BA .....	98,705	102,178	547,417
OT .....	98,241	102,207	547,105
Resolution Change:			
BA .....		-50	-410
OT .....		-50	-410
Total:			
BA .....	98,705	102,128	547,007
OT .....	98,241	102,157	546,695
<b>Committee on Education and Labor:</b>			
Current Law:			
BA .....	7,498	5,100	27,795
OT .....	7,665	4,937	25,692
Reauthorizations:			
BA .....	2,837	2,874	16,586
OT .....	2,223	2,769	15,951
Total:			
BA .....	10,335	7,974	44,381
OT .....	9,888	7,706	41,643
<b>Committee on Energy and Commerce:</b>			
Current Law:			
BA .....	240,383	248,708	1,415,559
OT .....	241,746	251,778	1,420,084
Reauthorizations:			
BA .....		5,040	25,200
OT .....		2,675	23,507
Total:			
BA .....	240,383	253,748	1,440,759
OT .....	241,746	254,453	1,443,591
<b>Committee on Financial Services:</b>			
Current Law:			
BA .....	3,929	4,924	19,988
OT .....	-1,237	-1,377	-16,331
<b>Committee on Foreign Affairs:</b>			
Current Law:			
BA .....	15,769	14,688	69,077
OT .....	15,763	14,690	65,798
<b>Committee on Homeland Security:</b>			
Current Law:			
BA .....	1,416	1,211	6,639
OT .....	1,364	1,396	6,962
<b>Committee on House Administration:</b>			
Current Law:			
BA .....	67	70	343
OT .....	39	215	532
<b>Committee on the Judiciary:</b>			
Current Law:			
BA .....	5,824	7,573	31,796
OT .....	5,963	6,466	31,560

ALLOCATIONS OF SPENDING AUTHORITY TO HOUSE COMMITTEES OTHER THAN APPROPRIATIONS—  
Continued  
[In millions of dollars]

	2007 <sup>1</sup>	2008	Total 2008–2012
<b>Committee on Natural Resources:</b>			
Current Law:			
BA .....	5,465	5,563	28,014
OT .....	5,209	5,093	26,513
<b>Committee on Oversight and Government Reform:</b>			
Current Law:			
BA .....	101,410	87,280	480,831
OT .....	97,813	84,705	467,426
<b>Committee on Science and Technology:</b>			
Current Law:			
BA .....	117	121	605
OT .....	115	133	637
<b>Committee on Small Business:</b>			
Current Law:			
BA .....	– 78		
OT .....	– 78		
<b>Committee on Transportation and Infrastructure:</b>			
Current Law:			
BA .....	66,656	65,299	166,780
OT .....	12,734	13,454	71,501
Reauthorizations:			
BA .....		3,675	148,629
OT .....			1,164
Resolution Change:			
BA .....		125	1,525
OT .....			
Total:			
BA .....	66,656	69,099	316,934
OT .....	12,734	13,454	72,665
<b>Committee on Veterans Affairs:</b>			
Current Law:			
BA .....	304	1,219	5,900
OT .....	354	1,300	6,449
Reauthorizations:			
BA .....		406	9,533
OT .....		373	9,302
Total:			
BA .....	304	1,625	15,433
OT .....	354	1,673	15,751
<b>Committee on Ways and Means:</b>			
Current Law:			
BA .....	775,774	823,345	4,486,527
OT .....	778,373	823,463	4,493,238
Reauthorizations:			
BA .....		958	44,753
OT .....		711	38,149
Total:			
BA .....	775,774	824,303	4,531,280
OT .....	778,373	824,174	4,531,387

<sup>1</sup> Revision to amounts deemed for 2007.



SUMMARY TABLE 1.—FISCAL YEAR 2008 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES

(In billions of dollars)

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
<b>Summary</b>							
Total Spending:							
BA .....	2,833.966	2,964.648	3,004.851	3,078.830	3,214.277	3,271.296	15,533.902
OT .....	2,751.168	2,932.771	3,050.953	3,106.494	3,217.179	3,252.030	15,559.427
On-Budget:							
BA .....	2,380.614	2,495.291	2,516.301	2,569.952	2,684.936	2,716.188	12,982.668
OT .....	2,300.065	2,465.888	2,565.305	2,600.718	2,691.358	2,700.809	13,024.078
Off-Budget:							
BA .....	453.352	469.357	488.550	508.878	529.341	555.108	2,551.234
OT .....	451.103	466.883	485.648	505.776	525.821	551.221	2,535.349
Revenues:							
Total .....	2,542.292	2,719.794	2,809.777	2,901.310	3,167.155	3,405.024	15,003.060
On-budget .....	1,904.706	2,050.796	2,106.926	2,163.721	2,394.550	2,597.096	11,313.089
Off-budget .....	637.586	668.998	702.851	737.589	772.605	807.928	3,689.971
Surplus/Deficit (–):							
Total .....	–208.876	–212.977	–241.176	–205.184	–50.024	152.994	–556.367
On-budget .....	–395.359	–415.092	–458.379	–436.997	–296.808	–103.713	–1,710.989
Off-budget .....	186.483	202.115	217.203	231.813	246.784	256.707	1,154.622
Debt Subject to Limit (end of year) ...	8,927	9,461	10,036	10,591	11,001	11,231	na
Debt Held by the Public (end of year)	5,042	5,269	5,524	5,743	5,805	5,663	na
<b>By Function</b>							
National Defense (050):							
BA .....	525.797	506.955	534.705	545.171	550.944	559.799	2,697.574
OT .....	534.270	514.401	524.384	536.433	547.624	548.169	2,671.011
International Affairs (150):							
BA .....	28.795	34.675	35.428	35.623	36.083	36.530	178.339
OT .....	31.308	33.096	32.557	32.687	33.006	33.613	164.959
General Science, Space, and Technology (250):							
BA .....	25.079	27.611	28.641	29.844	31.103	32.438	149.637
OT .....	24.516	26.472	28.411	29.485	30.089	31.367	145.824
Energy (270):							
BA .....	2.943	3.240	3.051	3.136	3.228	3.307	15.962
OT .....	1.369	1.092	1.454	1.641	1.697	1.997	7.881
Natural Resources and Environment (300):							
BA .....	31.332	32.813	33.529	34.483	35.152	36.194	172.171
OT .....	32.919	34.864	35.332	35.574	35.952	36.543	178.265
Agriculture (350):							
BA .....	21.471	20.381	20.933	21.138	21.156	21.402	105.010
OT .....	19.738	19.549	20.059	20.112	20.436	20.863	101.019
Commerce and Housing Credit (370):							
BA .....	10.215	10.958	12.073	14.775	8.622	8.522	54.950
OT .....	1.178	3.785	3.096	4.460	1.731	0.797	13.869
On-budget:							
BA .....	5.515	9.158	9.973	13.775	8.822	8.822	50.550
OT .....	–3.522	1.985	0.996	3.460	1.931	1.097	9.469
Off-budget:							
BA .....	4.700	1.800	2.100	1.000	–0.200	–0.300	4.400
OT .....	4.700	1.800	2.100	1.000	–0.200	–0.300	4.400
Transportation (400):							
BA .....	81.282	82.657	76.343	77.261	78.289	79.169	393.719
OT .....	74.739	80.802	83.948	86.127	87.018	88.761	426.656
Community and Regional Development (450):							
BA .....	15.717	15.032	13.928	14.129	14.328	14.528	71.945
OT .....	28.281	22.017	20.474	19.220	17.649	15.131	94.491
Education, Training, Employment and Social Services (500):							
BA .....	92.780	92.461	96.810	98.333	98.409	98.654	484.667
OT .....	92.224	91.119	93.978	96.041	97.276	96.909	475.323

SUMMARY TABLE 1.—FISCAL YEAR 2008 BUDGET RESOLUTION TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
Health (550):							
BA .....	267.892	286.767	307.842	325.885	347.621	370.780	1,638.895
OT .....	268.197	286.261	305.984	325.716	346.553	369.739	1,634.253
Medicare (570):							
BA .....	365.152	389.586	416.731	442.369	489.100	486.828	2,224.614
OT .....	370.180	389.696	416.382	442.589	489.109	486.440	2,224.216
Income Security (600):							
BA .....	360.365	379.927	391.073	401.429	417.016	402.874	1,992.319
OT .....	364.204	383.546	393.458	402.422	416.907	402.130	1,998.463
Social Security (650):							
BA .....	587.817	615.047	645.955	681.432	719.417	762.029	3,423.880
OT .....	585.568	612.573	643.053	678.330	715.897	758.142	3,407.995
On-budget:							
BA .....	19.089	19.644	21.518	23.701	27.009	29.898	121.770
OT .....	19.089	19.644	21.518	23.701	27.009	29.898	121.770
Off-budget:							
BA .....	568.728	595.403	624.437	657.731	692.408	732.131	3,302.110
OT .....	566.479	592.929	621.535	654.629	688.888	728.244	3,286.225
Veterans Benefits and Services (700):							
BA .....	73.896	85.192	87.787	90.414	96.033	93.325	452.751
OT .....	72.342	82.772	87.681	89.710	95.410	92.599	448.172
Administration of Justice (750):							
BA .....	45.504	46.940	46.111	47.168	48.379	49.610	238.208
OT .....	44.659	46.155	47.311	47.504	48.164	49.207	238.341
General Government (800):							
BA .....	18.193	18.614	19.264	19.886	20.647	21.359	99.770
OT .....	18.574	18.998	19.328	19.765	20.370	21.193	99.654
Net Interest (900):							
BA .....	236.631	254.554	264.894	277.840	283.792	282.228	1,363.308
OT .....	236.631	254.554	264.894	277.840	283.792	282.228	1,363.308
On-budget:							
BA .....	344.431	369.454	389.194	413.140	431.192	442.528	2,045.508
OT .....	344.431	369.454	389.194	413.140	431.192	442.528	2,045.508
Off-budget:							
BA .....	-107.800	-114.900	-124.300	-135.300	-147.400	-160.300	-682.200
OT .....	-107.800	-114.900	-124.300	-135.300	-147.400	-160.300	-682.200
Allowances (920):							
BA .....	0.785						
OT .....	0.755	0.030					0.030
Undistributed Offsetting Receipts (950):							
BA .....	-81.990	-83.925	-80.247	-81.486	-85.042	-88.280	-418.980
OT .....	-81.990	-83.925	-80.256	-81.486	-85.062	-88.283	-419.012
On-budget:							
BA .....	-69.714	-70.979	-66.560	-66.933	-69.575	-71.857	-345.904
OT .....	-69.714	-70.979	-66.569	-66.933	-69.595	-71.860	-345.936
Off-budget:							
BA .....	-12.276	-12.946	-13.687	-14.553	-15.467	-16.423	-73.076
OT .....	-12.276	-12.946	-13.687	-14.553	-15.467	-16.423	-73.076
Overseas Deployments and Other Activities (970):							
BA .....	124.310	145.163	50.000				195.163
OT .....	31.506	114.914	109.425	42.324	13.561	4.485	284.709

SUMMARY TABLE 2.—FISCAL YEAR 2008 BUDGET RESOLUTION DISCRETIONARY SPENDING

(In billions of dollars)

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
<b>Summary</b>							
Total Spending:							
BA .....	1,075.450	1,100.099	1,048.238	1,020.619	1,032.422	1,052.213	5,253.591
OT .....	1,060.962	1,142.066	1,161.318	1,114.746	1,101.959	1,100.024	5,620.113
<b>By Function</b>							
National Defense (050):							
BA .....	522.419	503.844	531.603	542.020	548.044	556.913	2,682.424
OT .....	531.119	511.144	521.194	533.240	544.711	545.276	2,655.565
International Affairs (150):							
BA .....	32.750	35.257	35.610	35.966	36.325	36.688	179.846
OT .....	36.676	35.085	34.988	35.335	35.615	36.192	177.215
General Science, Space, and Technology (250):							
BA .....	24.963	27.491	28.521	29.724	30.983	32.318	149.037
OT .....	24.402	26.340	28.281	29.358	29.962	31.251	145.192
Energy (270):							
BA .....	4.191	4.647	4.480	4.574	4.674	4.772	23.147
OT .....	3.881	4.295	4.560	4.616	4.709	4.804	22.984
Natural Resources and Environment (300):							
BA .....	30.361	31.369	32.183	33.036	33.923	34.814	165.325
OT .....	31.961	34.086	34.331	34.409	34.944	35.273	173.043
Agriculture (350):							
BA .....	5.767	5.825	5.972	6.126	6.289	6.451	30.663
OT .....	5.810	5.849	5.941	6.054	6.210	6.371	30.425
Commerce and Housing Credit (370):							
BA .....	2.690	4.399	5.319	9.102	4.045	4.020	26.885
OT .....	2.928	4.432	4.890	7.131	5.690	4.473	26.616
On-budget:							
BA .....	2.690	4.399	5.319	9.102	4.045	4.020	26.885
OT .....	2.928	4.432	4.890	7.131	5.690	4.473	26.616
Off-budget:							
BA .....							
OT .....							
Transportation (400):							
BA .....	26.117	25.398	27.513	28.295	29.148	29.977	140.331
OT .....	73.028	78.493	81.704	83.890	84.738	86.453	415.278
Community and Regional Development (450):							
BA .....	12.954	13.718	13.912	14.117	14.321	14.527	70.595
OT .....	25.724	20.958	20.720	19.454	17.864	15.328	94.324
Education, Training, Employment and Social Services (500):							
BA .....	80.299	82.341	85.910	86.756	87.625	88.483	431.115
OT .....	80.354	82.367	84.507	85.919	87.007	87.933	427.733
Health (550):							
BA .....	52.098	54.246	57.525	56.507	57.686	58.861	284.825
OT .....	52.733	54.095	55.495	56.077	56.591	57.728	279.986
Medicare (570):							
BA .....	4.788	5.009	5.220	5.445	5.690	5.972	27.336
OT .....	4.865	5.043	5.183	5.408	5.652	5.928	27.214
Income Security (600):							
BA .....	49.491	52.054	52.388	53.718	55.010	56.266	269.436
OT .....	55.654	57.329	57.176	56.905	57.095	57.639	286.144
Social Security (650):							
BA .....	4.692	4.850	4.996	5.147	5.306	5.467	25.766
OT .....	4.727	4.859	4.970	5.121	5.278	5.439	25.667
On-budget:							
BA .....							
OT .....							
Off-budget:							
BA .....	4.692	4.850	4.996	5.147	5.306	5.467	25.766
OT .....	4.727	4.859	4.970	5.121	5.278	5.439	25.667

SUMMARY TABLE 2.—FISCAL YEAR 2008 BUDGET RESOLUTION DISCRETIONARY SPENDING—  
Continued  
[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
Veterans Benefits and Services (700):							
BA .....	36.457	43.055	44.300	45.597	46.957	48.339	228.248
OT .....	35.027	40.709	44.309	45.012	46.331	47.751	224.112
Administration of Justice (750):							
BA .....	44.251	44.662	45.443	46.608	47.941	49.302	233.956
OT .....	43.355	45.042	46.188	46.677	47.801	48.975	234.683
General Government (800):							
BA .....	16.067	16.771	17.343	17.881	18.455	19.043	89.493
OT .....	16.457	16.996	17.456	17.816	18.200	18.725	89.193
Allowances (920):							
BA .....	0.785						
OT .....	0.755	0.030					0.030
Overseas Deployments and Other Activities (970):							
BA .....	124.310	145.163	50.000				195.163
OT .....	31.506	114.914	109.425	42.324	13.561	4.485	284.709

SUMMARY TABLE 3.—FISCAL YEAR 2008 BUDGET RESOLUTION MANDATORY SPENDING

(In billions of dollars)

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
<b>Summary</b>							
Total Spending:							
BA .....	1,758.516	1,864.549	1,956.613	2,058.211	2,181.855	2,219.083	10,280.311
OT .....	1,690.206	1,790.705	1,889.635	1,991.748	2,115.220	2,152.006	9,939.314
On-Budget:							
BA .....	1,309.856	1,400.042	1,473.059	1,554.480	1,657.820	1,669.442	7,754.843
OT .....	1,243.830	1,328.681	1,408.957	1,491.093	1,594.677	1,606.224	7,429.632
Off-Budget:							
BA .....	448.660	464.507	483.554	503.731	524.035	549.641	2,525.468
OT .....	446.376	462.024	480.678	500.655	520.543	545.782	2,509.682
<b>By Function</b>							
National Defense (050):							
BA .....	3.378	3.111	3.102	3.151	2.900	2.886	15.150
OT .....	3.151	3.257	3.190	3.193	2.913	2.893	15.446
International Affairs (150):							
BA .....	-3.955	-0.582	-0.182	-0.343	-0.242	-0.158	-1.507
OT .....	-5.368	-1.989	-2.431	-2.648	-2.609	-2.579	-12.256
General Science, Space, and Technology (250):							
BA .....	0.116	0.120	0.120	0.120	0.120	0.120	0.600
OT .....	0.114	0.132	0.130	0.127	0.127	0.116	0.632
Energy (270):							
BA .....	-1.248	-1.407	-1.429	-1.438	-1.446	-1.465	-7.185
OT .....	-2.512	-3.203	-3.106	-2.975	-3.012	-2.807	-15.103
Natural Resources and Environment (300):							
BA .....	0.971	1.444	1.346	1.447	1.229	1.380	6.846
OT .....	0.958	0.778	1.001	1.165	1.008	1.270	5.222
Agriculture (350):							
BA .....	15.704	14.556	14.961	15.012	14.867	14.951	74.347
OT .....	13.928	13.700	14.118	14.058	14.226	14.492	70.594
Commerce and Housing Credit (370):							
BA .....	7.525	6.559	6.754	5.673	4.577	4.502	28.065
OT .....	-1.750	-0.647	-1.794	-2.671	-3.959	-3.676	-12.747
On-budget:							
BA .....	2.825	4.759	4.654	4.673	4.777	4.802	23.665
OT .....	-6.450	-2.447	-3.894	-3.671	-3.759	-3.376	-17.147
Off-budget:							
BA .....	4.700	1.800	2.100	1.000	-0.200	-0.300	4.400
OT .....	4.700	1.800	2.100	1.000	-0.200	-0.300	4.400
Transportation (400):							
BA .....	55.165	57.259	48.830	48.966	49.141	49.192	253.388
OT .....	1.711	2.309	2.244	2.237	2.280	2.308	11.378
Community and Regional Development (450):							
BA .....	2.763	1.314	0.016	0.012	0.007	0.001	1.350
OT .....	2.557	1.059	-0.246	-0.234	-0.215	-0.197	0.167
Education, Training, Employment and Social Services (500):							
BA .....	12.481	10.120	10.900	11.577	10.784	10.171	53.552
OT .....	11.870	8.752	9.471	10.122	10.269	8.976	47.590
Health (550):							
BA .....	215.794	232.521	250.317	269.378	289.935	311.919	1,354.070
OT .....	215.464	232.166	250.489	269.639	289.962	312.011	1,354.267
Medicare (570):							
BA .....	360.364	384.577	411.511	436.924	483.410	480.856	2,197.278
OT .....	365.315	384.653	411.199	437.181	483.457	480.512	2,197.002
Income Security (600):							
BA .....	310.874	327.873	338.685	347.711	362.006	346.608	1,722.883
OT .....	308.550	326.217	336.282	345.517	359.812	344.491	1,712.319
Social Security (650):							
BA .....	583.125	610.197	640.959	676.285	714.111	756.562	3,398.114
OT .....	580.841	607.714	638.083	673.209	710.619	752.703	3,382.328

SUMMARY TABLE 3.—FISCAL YEAR 2008 BUDGET RESOLUTION MANDATORY SPENDING—  
Continued  
[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
On-budget:							
BA .....	19.089	19.644	21.518	23.701	27.009	29.898	121.770
OT .....	19.089	19.644	21.518	23.701	27.009	29.898	121.770
Off-budget:							
BA .....	564.036	590.553	619.441	652.584	687.102	726.664	3,276.344
OT .....	561.752	588.070	616.565	649.508	683.610	722.805	3,260.558
Veterans Benefits and Services (700):							
BA .....	37.439	42.137	43.487	44.817	49.076	44.986	224.503
OT .....	37.315	42.063	43.372	44.698	49.079	44.848	224.060
Administration of Justice (750):							
BA .....	1.253	2.278	0.668	0.560	0.438	0.308	4.252
OT .....	1.304	1.113	1.123	0.827	0.363	0.232	3.658
General Government (800):							
BA .....	2.126	1.843	1.921	2.005	2.192	2.316	10.277
OT .....	2.117	2.002	1.872	1.949	2.170	2.468	10.461
Net Interest (900):							
BA .....	236.631	254.554	264.894	277.840	283.792	282.228	1,363.308
OT .....	236.631	254.554	264.894	277.840	283.792	282.228	1,363.308
On-budget:							
BA .....	344.431	369.454	389.194	413.140	431.192	442.528	2,045.508
OT .....	344.431	369.454	389.194	413.140	431.192	442.528	2,045.508
Off-budget:							
BA .....	-107.800	-114.900	-124.300	-135.300	-147.400	-160.300	-682.200
OT .....	-107.800	-114.900	-124.300	-135.300	-147.400	-160.300	-682.200
Allowances (920):							
BA .....							
OT .....							
Undistributed Offsetting Receipts (950):							
BA .....	-81.990	-83.925	-80.247	-81.486	-85.042	-88.280	-418.980
OT .....	-81.990	-83.925	-80.256	-81.486	-85.062	-88.283	-419.012
On-budget:							
BA .....	-69.714	-70.979	-66.560	-66.933	-69.575	-71.857	-345.904
OT .....	-69.714	-70.979	-66.569	-66.933	-69.595	-71.860	-345.936
Off-budget:							
BA .....	-12.276	-12.946	-13.687	-14.553	-15.467	-16.423	-73.076
OT .....	-12.276	-12.946	-13.687	-14.553	-15.467	-16.423	-73.076

SUMMARY TABLE 4.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
<b>National Defense</b>											
Exclusion of benefits and allowances to Armed Forces personnel .....						2.8	2.8	2.9	3.0	3.0	14.5
Exclusion of military disability benefits .....						0.1	0.1	0.1	0.1	0.1	0.4
Deduction for overnight-travel expenses of National Guard and Reserve Members .....						0.1	0.1	0.1	0.1	0.1	0.3
<b>International Affairs</b>											
Exclusion of income earned abroad by U.S. citizens .....						3.8	4.0	4.2	4.4	4.6	21.0
Exclusion of certain allowances for Federal employees abroad .....						0.6	0.6	0.7	0.7	0.8	3.4
Exclusion of extraterritorial income .....	3.9	1.9	0.1	0.1	0.1	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	6.2
Deferral of active income of controlled foreign corporations .....	3.4	5.8	6.4	7.0	7.5						30.1
Inventory property sales source rule exception .....	6.2	6.4	6.6	6.8	7.0						33.0
Deferral of certain active financing income .....	1.1	1.7									2.8
<b>General Science, Space, and Technology</b>											
Expensing of research and experimental expenditures .....	2.0	3.7	5.5	6.0	5.8	( <sup>1</sup> )	0.1	0.1	0.1	0.1	29.4
<b>Energy</b>											
Expensing of exploration and development costs:											
Oil and gas .....	1.1	1.6	1.2	0.8	0.6	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	5.4
Other fuels .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.2
Excess of percentage over cost depletion:											
Oil and gas .....	1.0	1.0	0.9	0.9	0.9	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	4.7
Other fuels .....	0.1	0.1	0.1	0.1	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.6
Tax credit and deduction for small refiners with capital costs associated with EPA sulfur regulation compliance .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )						0.1
Tax credit for production of non-conventional fuels .....	2.7	3.2	1.2	( <sup>1</sup> )	( <sup>1</sup> )	1.0	1.0	0.2	( <sup>1</sup> )	( <sup>1</sup> )	8.8
Tax credits for alcohol fuels <sup>2</sup> .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )						0.2
Tax credits for biodiesel fuels <sup>3</sup> .....	( <sup>1</sup> )	0.1	0.1	( <sup>1</sup> )							0.2
Exclusion of interest on State and local government qualified private activity bonds for energy production facilities .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	0.1	0.1	0.1	0.1	0.5
Exclusion of energy conservation subsidies provided by public utilities .....						( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1
Energy credit (Section 48) .....	( <sup>1</sup> )	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.2
Tax credit for electricity production from renewable resources .....	2.0	3.7	5.5	6.0	5.8	0.1	0.1	0.1	0.1	0.1	29.4
Deferral of gain from the disposition of electric transmission property to implement Federal Energy Regulatory Commission restructuring policy .....											
	0.6	0.5	( <sup>4</sup> )	-0.3	-0.3						0.4
Tax credit for holders of clean renewable energy bonds .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.2

SUMMARY TABLE 4.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Tax credits for investments in clean coal power generation facilities .....	(1)	0.1	0.1	0.2	0.2	.....	.....	.....	.....	.....	0.5
Expensing of the cost of property used in the refining of liquid fuels .....	(1)	(1)	0.1	0.2	0.3	.....	.....	.....	.....	.....	0.7
Amortization of geological and geophysical costs associated with oil and gas exploration .....	(4)	0.1	0.2	0.2	0.1	(4)	(1)	0.1	0.1	(1)	0.8
Deduction for expenditures on energy-efficient commercial building property .....	(1)	0.1	(1)	(4)	(4)	(1)	0.1	(1)	(4)	(4)	0.3
Tax credit for the purchase of qualified energy efficiency improvements to existing homes .....	.....	.....	.....	.....	.....	0.1	0.3	0.2	.....	.....	0.6
Tax credit for the production of energy-efficient appliances .....	0.1	0.1	.....	.....	.....	.....	.....	.....	.....	.....	0.2
Tax credits for alternative technology vehicles .....	0.1	0.1	(1)	(1)	(1)	0.2	0.2	0.1	0.1	(1)	0.8
Tax credit for clean-fuel vehicle refueling property .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for certain net operating losses of electric utility companies .....	0.1	(1)	(1)	(4)	(4)	.....	.....	.....	.....	.....	0.1
<b>Natural Resources and Environment</b>											
Expensing of exploration and development costs, nonfuel minerals .....	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.4
Excess of percentage over cost depletion, nonfuel minerals .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Expensing of timber-growing costs .....	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
Exclusion of interest on State and local government qualified private activity bonds for sewerage, water, and hazardous waste facilities .....	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.5	0.5	3.3
Special rules for mining reclamation reserves .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Special tax rate for nuclear decommissioning reserve funds .....	0.5	0.6	0.7	0.8	0.8	.....	.....	.....	.....	.....	3.4
Exclusion of contributions in aid of construction for water and sewer utilities .....	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	0.2
Amortization of certified pollution control facilities .....	(1)	(1)	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.3
Amortization and expensing of reforestation expenditures .....	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.6
<b>Agriculture</b>											
Expensing of soil and water conservation expenditures .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Expensing of fertilizer and soil conditioner costs .....	(1)	(1)	(1)	(1)	(1)	0.2	0.1	0.1	0.1	0.1	0.7
Expensing of the costs of raising dairy and breeding cattle .....	(1)	(1)	(4)	(4)	(1)	0.1	(1)	(4)	(4)	(1)	0.2
Exclusion of cost-sharing payments .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of cancellation of indebtedness income of farmers .....	.....	.....	.....	.....	.....	0.1	0.1	0.1	0.1	0.1	0.4
Income averaging for farmers and fishermen .....	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for net operating losses attributable to farming .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
<b>Commerce and Housing</b>											
Financial institutions:											
Exemption of credit union income .....	1.7	1.8	1.9	2.0	2.1	.....	.....	.....	.....	.....	9.3
Insurance companies:											
Exclusion of investment income on life insurance and annuity contracts .....	2.5	2.5	2.6	2.7	2.7	25.5	26.1	26.8	27.5	28.2	147.1



Small life insurance company taxable income adjustment .....	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	.....	0.3
Special treatment of life insurance company reserves .....	1.9	2.0	2.0	2.1	2.2	.....	.....	.....	.....	.....	.....	10.2
Deduction of unpaid property loss reserves for property and casualty insurance companies .....	3.4	3.4	3.5	3.6	3.6	.....	.....	.....	.....	.....	.....	17.5
Special deduction for Blue Cross and Blue Shield companies .....	0.9	1.0	1.0	1.0	1.0	.....	.....	.....	.....	.....	.....	5.0
Housing:												
Deduction for mortgage interest on owner-occupied residences .....	.....	.....	.....	.....	.....	69.4	75.6	80.7	85.9	91.1	.....	402.7
Deduction for property taxes on owner-occupied residences .....	.....	.....	.....	.....	.....	19.9	13.8	13.5	13.4	13.2	.....	73.8
Exclusion of capital gains on sales of principal residences .....	.....	.....	.....	.....	.....	24.1	25.2	25.7	26.3	27.1	.....	128.4
Exclusion of interest on State and local government qualified private activity bonds for owner-occupied housing .....	0.3	0.4	0.4	0.4	0.4	0.9	1.0	1.0	1.1	1.1	.....	7.0
Exclusion of interest on State and local government qualified private activity bonds for rental housing .....	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.6	0.6	.....	3.7
Depreciation of rental housing in excess of alternative depreciation system .....	0.4	0.5	0.6	0.7	0.8	4.0	4.6	5.3	6.1	7.0	.....	29.9
Tax credit for low-income housing .....	3.4	3.6	3.8	4.1	4.4	1.4	1.5	1.6	1.7	1.9	.....	27.4
Tax credit for rehabilitation of historic structures .....	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	.....	2.2
Tax credit for rehabilitation of structures, other than historic structures .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1	0.1	0.1	0.1	0.1	.....	0.5
Additional exemption for housing provided to individuals displaced by Hurricane Katrina .....	.....	.....	.....	.....	.....	0.1	( <sup>1</sup> )	.....	.....	.....	.....	0.1
Tax credit for Gulf Opportunity Zone employers providing in-kind lodging for employees and income exclusion for the employees .....	0.1	( <sup>1</sup> )	.....	.....	.....	0.1	( <sup>1</sup> )	.....	.....	.....	.....	0.2
Other business and commerce:												
Reduced rates of tax on dividends and long-term capital gains .....	.....	.....	.....	.....	.....	92.2	94.5	101.7	99.6	50.2	.....	438.1
Exclusion of capital gains at death .....	.....	.....	.....	.....	.....	50.9	51.9	53.2	69.7	64.5	.....	290.2
Carryover basis of capital gains on gifts .....	.....	.....	.....	.....	.....	5.4	5.5	5.7	7.6	56.1	.....	80.3
Deferral of gain on non-dealer installment sales .....	0.6	0.7	0.7	0.7	0.8	0.5	0.5	0.5	0.6	0.6	.....	6.2
Deferral of gain on like-kind exchanges .....	2.0	2.1	2.2	2.4	2.5	0.8	0.8	0.9	0.8	1.0	.....	15.5
Depreciation of buildings other than rental housing in excess of alternative depreciation system .....	0.4	0.6	0.8	1.1	1.4	0.4	0.5	0.7	1.0	1.3	.....	8.3
Depreciation of equipment in excess of the alternative depreciation system .....	5.7	11.0	17.7	23.4	27.7	-2.2	0.1	2.2	4.3	6.1	.....	96.0
Expensing under section 179 of depreciable business property .....	0.6	0.6	-0.1	-0.4	-0.2	2.8	2.6	0.1	-0.8	-0.4	.....	4.8
Amortization of business startup costs .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.7	0.7	0.8	0.8	0.9	.....	3.9
Reduced rates on first \$10,000,000 of corporate taxable income .....	4.3	4.3	4.3	4.3	4.3	.....	.....	.....	.....	.....	.....	21.6
Permanent exemption from imputed interest rules .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.4	0.4	0.4	0.4	0.5	.....	2.1
Expensing of magazine circulation expenditures .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.....	0.1
Special rules for magazine, paperback book, and record returns .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.....	0.2
Completed contract rules .....	0.3	0.3	0.4	0.4	0.5	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.....	1.9
Cash accounting, other than agriculture .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.8	0.8	0.8	0.9	0.9	.....	4.2
Exclusion of interest on State and local government small-issue qualified private activity bonds .....	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	.....	2.3
Exception from net operating loss limitations for corporations in bankruptcy proceedings .....	0.6	0.6	0.6	0.6	0.6	.....	.....	.....	.....	.....	.....	3.0
Tax credit for employer-paid FICA taxes on tips .....	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.5	.....	3.1

SUMMARY TABLE 4.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Deduction of certain film and television production costs .....	0.1	0.1	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.3
Production activity deduction .....	2.7	3.9	5.5	5.9	7.4	0.9	1.3	1.8	2.0	2.6	34.0
Tax credit for the cost of carrying tax-paid distilled spirits in wholesale inventories .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.....	.....	.....	.....	.....	0.1
Partial expensing of Gulf Opportunity Zone clean-up costs .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	0.1
Additional first-year depreciation for Gulf Opportunity Zone property .....	0.9	0.9	0.4	–0.1	–0.2	0.4	0.4	0.2	( <sup>4</sup> )	–0.1	2.9
Ten-year carryback period for casualty losses of public utility property attributable to Hurricane Katrina .....	0.2	( <sup>1</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	.....	.....	.....	.....	.....	0.2
Five-year carryback period for casualty losses of public utility property attributable to Hurricane Katrina .....	0.1	( <sup>1</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	.....	.....	.....	.....	.....	0.1
Five-year carryback period for losses attributable to various expenses related to Hurricane Katrina .....	1.0	0.3	–0.1	–0.2	–0.2	.....	.....	.....	.....	.....	0.9
Tax credit for employee retention for employees affected by Hurricanes Katrina, Rita, and Wilma .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	.....	0.2
<b>Transportation</b>											
Exclusion of interest on State and local government qualified private activity bonds for highway projects and rail-truck transfer facilities .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1
Provide a 50 percent tax credit for certain expenditures for maintaining railroad tracks .....	0.1	0.1	0.1	0.1	( <sup>1</sup> )	.....	.....	.....	.....	.....	0.4
Deferral of tax on capital construction funds of shipping companies .....	0.1	0.1	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.4
Exclusion of employer-paid transportation benefits .....	.....	.....	.....	.....	.....	4.2	4.3	4.4	4.5	4.7	22.1
<b>Community and Regional Development</b>											
New York City Liberty Zone tax incentives .....	0.4	0.2	0.1	( <sup>4</sup> )	–0.1	–0.1	0.2	0.1	0.2	0.1	1.0
Empowerment zone tax incentives .....	0.3	0.4	0.4	0.4	0.2	0.4	0.4	0.4	0.5	0.3	3.7
Renewal community tax incentives .....	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.3	2.9
New markets tax credit .....	0.2	0.3	0.4	0.3	0.3	0.3	0.4	0.5	0.5	0.4	3.7
Exclusion of interest on State and local qualified private activity bonds for green buildings and sustainable design projects .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1
Exclusion of interest on State and local government qualified private activity bonds for private airports, docks, and mass-commuting facilities .....	0.3	0.3	0.3	0.3	0.4	0.7	0.8	0.8	0.9	0.9	5.8
<b>Education, Training, Employment, and Social Services</b>											
Education and training:											
Tax credits for tuition for post-secondary education .....	.....	.....	.....	.....	.....	4.9	5.2	5.1	5.0	5.0	25.2
Deduction for interest on student loans .....	.....	.....	.....	.....	.....	0.8	0.9	0.9	0.9	1.0	4.5
Exclusion of earnings of Coverdell education savings accounts .....	.....	.....	.....	.....	.....	0.1	0.1	0.1	0.2	0.2	0.7

Exclusion of interest on educational savings bonds .....						(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of tax on earnings of qualified tuition programs .....						0.7	0.8	0.9	1.0	1.0	4.3
Exclusion of scholarship and fellowship income .....						1.5	1.6	1.7	1.8	1.9	8.5
Exclusion of income attributable to the discharge of certain student loan debt and NHSC Educational Loan repayments .....						(1)	(1)	(1)	(1)	(1)	0.1
Exclusion of employer-provided education assistance benefits .....						0.8	0.9	0.9	0.9	0.9	4.4
Exclusion of employer-provided tuition reduction benefits .....						0.2	0.2	0.2	0.2	0.2	1.0
Parental personal exemption for students age 19 to 23 .....						0.5	0.2	0.2	0.1	(1)	1.0
Exclusion of interest on State and local government qualified private activity bonds for student loans .....	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.4	0.4	2.3
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit and qualified public educational facilities .....	0.4	0.5	0.5	0.5	0.5	1.1	1.2	1.2	1.3	1.3	8.4
Tax credit for holders of qualified zone academy bonds .....	0.1	0.1	0.1	0.1	0.1						0.5
Deduction for charitable contributions to educational institutions .....	0.7	0.7	0.7	0.8	0.8	5.3	5.9	6.3	6.8	7.1	35.1
<b>Employment:</b>											
Exclusion of employee meals and lodging (other than military) .....						0.9	0.9	0.9	1.0	1.0	4.9
Exclusion of benefits provided under cafeteria plans <sup>5</sup> .....						27.9	30.6	33.4	36.6	40.0	168.5
Exclusion of housing allowances for ministers .....						0.5	0.5	0.5	0.6	0.6	2.7
Exclusion of miscellaneous fringe benefits .....						6.6	6.8	7.0	7.2	7.7	35.2
Exclusion of employee awards .....						0.2	0.2	0.2	0.2	0.2	0.9
Exclusion of income earned by voluntary employees' beneficiary associations .....						3.3	3.4	3.5	3.7	3.8	17.6
Special tax provisions for employee stock ownership plans (ESOPs) .....	0.8	0.9	0.9	1.0	1.1	0.3	0.3	0.3	0.3	0.3	6.2
Work opportunity tax credit .....	0.2	0.1	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.8
Welfare-to-work tax credit .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)		0.2
Deferral of taxation on spread on acquisition of stock under incentive stock option plans and employee stock purchase plans <sup>6</sup> .....						0.4	0.4	0.4	0.2	0.1	1.5
<b>Social services:</b>											
Tax credit for children under age 17 <sup>7</sup> .....						46.0	45.9	46.1	46.0	46.0	230.0
Tax credit for child and dependent care and exclusion of employer-provided child care <sup>8</sup> .....						3.1	2.7	2.7	2.6	2.5	13.5
Tax credit for employer-provided dependent care .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Exclusion of certain foster care payments .....						0.6	0.6	0.7	0.7	0.8	3.4
Adoption credit and employee adoption benefits exclusion .....						0.4	0.5	0.5	0.5	0.5	2.4
Deduction for charitable contributions, other than for education and health .....	1.7	1.7	1.7	1.8	1.8	29.1	31.9	34.2	36.8	38.4	179.1
Tax credit for disabled access expenditures .....	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.4
<b>Health</b>											
Exclusion of employer contributions for health care, health insurance premiums, and long-term care insurance premiums <sup>9</sup> .....						90.6	99.7	107.0	114.5	122.2	534.0
Exclusion of medical care and TRICARE medical insurance for military dependents, retirees, and retiree dependents .....						1.9	2.0	2.1	2.3	2.5	10.9

SUMMARY TABLE 4.—TAX EXPENDITURE ESTIMATES BY BUDGET FUNCTION, FISCAL YEARS 2006–2010—Continued

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Deduction for health insurance premiums and long-term care insurance premiums by the self-employed .....						3.8	4.2	4.5	4.9	5.2	22.6
Deduction for medical expenses and long-term care expenses .....						7.3	8.2	9.5	10.7	12.1	47.8
Exclusion of workers' compensation benefits (medical benefits) .....						6.5	6.9	7.4	8.0	8.5	37.3
Health savings accounts .....						0.1	0.3	0.6	0.9	1.2	3.2
Exclusion of interest on State and local government qualified private activity bonds for private nonprofit hospital facilities .....	0.6	0.7	0.7	0.8	0.8	1.7	1.8	1.9	2.0	2.1	13.1
Deduction for charitable contributions to health organizations .....	0.8	0.8	0.9	0.9	0.9	3.7	4.0	4.3	4.7	4.8	25.8
Tax credit for orphan drug research .....	0.2	0.3	0.3	0.3	0.3						1.4
Tax credit for purchase of health insurance by certain displaced persons .....						0.2	0.2	0.2	0.2	0.3	1.2
<b>Medicare</b>											
Exclusion of untaxed Medicare benefits:											
Hospital insurance (Part A) .....						18.5	20.7	22.5	24.5	26.7	112.9
Supplementary medical insurance (Part B) .....						12.5	14.2	15.4	16.7	18.1	76.9
Prescription drug insurance (Part D) .....						3.4	6.2	7.5	8.3	9.5	34.9
Exclusion of certain subsidies to employers who maintain prescription drug plans for Medicare enrollees .....	0.7	1.2	1.4	1.5	1.6						6.3
<b>Income Security</b>											
Exclusion of workers' compensation benefits (disability and survivors payments) .....						2.5	2.6	2.7	2.7	2.8	13.2
Exclusion of damages on account of personal physical injuries or physical sickness .....						1.4	1.5	1.5	1.5	1.5	7.4
Exclusion of special benefits for disabled coal miners .....						0.1	0.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.2
Exclusion of cash public assistance benefits .....						3.4	3.6	3.7	3.9	4.0	18.6
Net exclusion of pension contributions and earnings:											
Employer plans .....						104.1	110.2	115.2	120.8	126.7	577.1
Individual retirement plans .....						11.2	14.0	15.5	16.9	18.4	76.0
Plans covering partners and sole proprietors (sometimes referred to as Keogh plans) .....						9.4	10.3	10.8	11.3	11.6	53.4
Tax credit for certain individuals for elective deferrals and IRA contributions .....						0.9	0.6	( <sup>1</sup> )			1.5
Tax credit for new retirement plan expenses of small businesses .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1
Exclusion of other employee benefits:											
Premiums on group term life insurance .....						2.5	2.6	2.6	2.7	2.7	13.1
Premiums on accident and disability insurance .....						2.6	2.8	2.9	3.0	3.1	14.4
Additional standard deduction for the blind and the elderly .....						1.6	1.6	1.7	1.7	1.8	8.4
Tax credit for the elderly and disabled .....						( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.1

Deduction for casualty and theft losses .....						0.7	0.8	0.3	0.3	0.3	2.4
Earned income credit (EIC) .....						42.1	42.8	43.5	44.5	45.4	218.3
Exclusion of cancellation of indebtedness income of Hurricane Katrina victims .....						0.2	0.1				0.3
<b>Social Security and Railroad Retirement</b>											
Exclusion of untaxed social security and railroad retirement benefits .....						23.1	24.1	24.8	25.9	27.2	125.1
<b>Veterans' Benefits and Services</b>											
Exclusion of veterans' disability compensation .....						3.6	3.8	3.9	4.0	4.0	19.2
Exclusion of veterans' pensions .....						0.1	0.1	0.1	0.1	0.1	0.6
Exclusion of veterans' readjustment benefits .....						0.2	0.3	0.3	0.3	0.3	1.3
Exclusion of interest on State and local government qualified private activity bonds for veterans' housing .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.3
<b>General Purpose Fiscal Assistance</b>											
Exclusion of interest on public purpose State and local government bonds .....	7.3	7.8	8.2	8.6	9.0	18.7	20.1	21.1	22.1	23.1	146.0
Deduction of nonbusiness State and local government income, sales taxes and personal property taxes <sup>10</sup> .....						36.8	27.3	27.3	28.1	28.9	148.5
Tax credit for Puerto Rico and possession income, and Puerto Rico economic activity .....	0.3										0.3
<b>Interest</b>											
Deferral of interest on savings bonds .....						1.1	1.1	1.2	1.2	1.2	5.8

<sup>1</sup> Positive tax expenditure of less than \$50 million.

<sup>2</sup> In addition, the credit from excise tax for alcohol fuels results in a reduction in excise tax receipts, net of income tax effect, of \$11.1 billion over the fiscal years 2006 through 2010.

<sup>3</sup> In addition, the credit from excise tax for biodiesel results in a reduction in excise tax receipts, net of income tax effect, of less than \$50 million in each of the fiscal years 2006 through 2010.

<sup>4</sup> Negative tax expenditure of less than \$50 million.

<sup>5</sup> Estimate includes amounts of employer-provided health insurance purchased through cafeteria plans and employer-provided child care purchased through dependent care flexible spending accounts. These amounts are also included in other line items in this table.

<sup>6</sup> Tax expenditure estimate does not include offsetting denial of corporate deduction for qualified stock option compensation.

<sup>7</sup> Tax expenditure estimate includes refundable amounts, amounts used to offset income taxes, and amounts used to offset other taxes. The amount of refundable child tax credit and earned income tax credit used to offset taxes other than income tax or paid out as refunds is: \$50.1 billion in 2006, \$51.5 billion in 2007, \$51.4 billion in 2008, and \$52.2 billion in 2009 and \$53.2 in 2010.

<sup>8</sup> Estimate includes employer-provided child care purchased through dependent care flexible spending accounts.

<sup>9</sup> Estimate includes employer-provided health insurance purchased through cafeteria plans.

<sup>10</sup> Deduction for state and local sales taxes expires after December 31, 2005.

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

Source: Joint Committee on Taxation, Estimates of Federal Tax Expenditures for Fiscal Years 2006–2010, April 25, 2006.

SUMMARY TABLE 5.—FISCAL YEAR 2008 BUDGET RESOLUTION COMPARED TO PRESIDENT'S BUDGET

[In billions of dollars]

Fiscal year	2007	2008	2009	2010	2011	2012	2008–2012
<b>Summary</b>							
Total Spending:							
BA .....	2,833.966	2,964.648	3,004.851	3,078.830	3,214.277	3,271.296	15,533.902
OT .....	2,751.168	2,932.771	3,050.953	3,106.494	3,217.179	3,252.030	15,559.427
On-Budget:							
BA .....	2,380.614	2,495.291	2,516.301	2,569.952	2,684.936	2,716.188	12,982.668
OT .....	2,300.065	2,465.888	2,565.305	2,600.718	2,691.358	2,700.809	13,024.078
Revenues:							
Total .....	2,542.292	2,719.794	2,809.777	2,901.310	3,167.155	3,405.024	15,003.060
On-budget .....	1,904.706	2,050.796	2,106.926	2,163.721	2,394.550	2,597.096	11,313.089
Surplus/Deficit (–):							
Total .....	–208.876	–212.977	–241.176	–205.184	–50.024	152.994	–556.367
On-budget .....	–395.359	–415.092	–458.379	–436.997	–296.808	–103.713	–1,710.989
<b>President's Budget (CBO Reestimate)</b>							
Total Spending:							
BA .....	2,812.199	2,934.541	2,951.931	3,023.330	3,160.253	3,231.168	15,301.223
OT .....	2,746.851	2,905.372	3,002.314	3,045.671	3,155.613	3,205.480	15,314.450
On-Budget:							
BA .....	2,358.847	2,465.213	2,463.721	2,514.577	2,630.511	2,675.336	12,749.358
OT .....	2,295.748	2,438.521	2,516.979	2,539.988	2,629.363	2,653.507	12,778.358
Revenues:							
Total .....	2,532.856	2,679.132	2,787.290	2,876.971	3,006.681	3,174.269	14,524.343
On-budget .....	1,895.270	2,010.138	2,092.509	2,148.411	2,239.469	2,367.448	10,857.975
Surplus/Deficit (–):							
Total .....	–213.995	–226.240	–215.024	–168.700	–148.932	–31.211	–790.107
On-budget .....	–400.478	–428.383	–424.470	–391.577	–389.894	–286.059	–1,920.383
<b>Difference</b>							
Total Spending:							
BA .....	21.767	30.107	52.920	55.500	54.024	40.128	232.679
OT .....	4.317	27.399	48.639	60.823	61.566	46.550	244.977
On-Budget:							
BA .....	21.767	30.078	52.580	55.375	54.425	40.852	233.310
OT .....	4.317	27.367	48.326	60.730	61.995	47.302	245.720
Revenues:							
Total .....	9.436	40.662	22.487	24.339	160.474	230.755	478.717
On-budget .....	9.436	40.658	14.417	15.310	155.081	229.648	455.114
Surplus/Deficit (–):							
Total .....	5.119	13.263	–26.152	–36.484	98.908	184.205	233.740
On-budget .....	5.119	13.291	–33.909	–45.420	93.086	182.346	209.394

**SUMMARY TABLE 6.—FISCAL YEAR 2008 BUDGET RESOLUTION COMPARED TO 2007:  
TOTAL SPENDING AND REVENUES**

[In billions of dollars]

Fiscal year	2008	2009	2010	2011	2012	2008–2012
<b>Summary</b>						
<b>Total Spending:</b>						
BA .....	130.682	170.885	244.864	380.311	437.330	1,364.072
OT .....	181.603	299.785	355.326	466.011	500.862	1,803.587
<b>On-Budget:</b>						
BA .....	114.677	135.687	189.338	304.322	335.574	1,079.598
OT .....	165.823	265.240	300.653	391.293	400.744	1,523.753
<b>Off-Budget:</b>						
BA .....	16.005	35.198	55.526	75.989	101.756	284.474
OT .....	15.780	34.545	54.673	74.718	100.118	279.834
<b>Revenues:</b>						
Total .....	177.502	267.485	359.018	624.863	862.732	2,291.600
On-budget .....	146.090	202.220	259.015	489.844	692.390	1,789.559
Off-budget .....	31.412	65.265	100.003	135.019	170.342	502.041
<b>Surplus/Deficit (–):</b>						
Total .....	–4.101	–32.300	3.692	158.852	361.870	488.013
On-budget .....	–19.733	–63.020	–41.638	98.551	291.646	265.806
Off-budget .....	15.632	30.720	45.330	60.301	70.224	222.207
<b>By Function</b>						
<b>National Defense (050):</b>						
BA .....	–18.842	8.908	19.374	25.147	34.002	68.589
OT .....	–19.869	–9.886	2.163	13.354	13.899	–0.339
<b>International Affairs (150):</b>						
BA .....	5.880	6.633	6.828	7.288	7.735	34.364
OT .....	1.788	1.249	1.379	1.698	2.305	8.419
<b>General Science, Space, and Technology (250):</b>						
BA .....	2.532	3.562	4.765	6.024	7.359	24.242
OT .....	1.956	3.895	4.969	5.573	6.851	23.244
<b>Energy (270):</b>						
BA .....	0.297	0.108	0.193	0.285	0.364	1.247
OT .....	–0.277	0.085	0.272	0.328	0.628	1.036
<b>Natural Resources and Environment (300):</b>						
BA .....	1.481	2.197	3.151	3.820	4.862	15.511
OT .....	1.945	2.413	2.655	3.033	3.624	13.670
<b>Agriculture (350):</b>						
BA .....	–1.090	–0.538	–0.333	–0.315	–0.069	–2.345
OT .....	–0.189	0.321	0.374	0.698	1.125	2.329
<b>Commerce and Housing Credit (370):</b>						
BA .....	0.743	1.858	4.560	–1.593	–1.693	3.875
OT .....	2.607	1.918	3.282	0.553	–0.381	7.979
<b>On-budget:</b>						
BA .....	3.643	4.458	8.260	3.307	3.307	22.975
OT .....	5.507	4.518	6.982	5.453	4.619	27.079
<b>Off-budget:</b>						
BA .....	–2.900	–2.600	–3.700	–4.900	–5.000	–19.100
OT .....	–2.900	–2.600	–3.700	–4.900	–5.000	–19.100
<b>Transportation (400):</b>						
BA .....	1.375	–4.939	–4.021	–2.993	–2.113	–12.691
OT .....	6.063	9.209	11.388	12.279	14.022	52.961
<b>Community and Regional Development (450):</b>						
BA .....	–0.685	–1.789	–1.588	–1.389	–1.189	–6.640
OT .....	–6.264	–7.807	–9.061	–10.632	–13.150	–46.914
<b>Education, Training, Employment and Social Services (500):</b>						
BA .....	–0.319	4.030	5.553	5.629	5.874	20.767
OT .....	–1.105	1.754	3.817	5.052	4.685	14.203
<b>Health (550):</b>						
BA .....	18.875	39.950	57.993	79.729	102.888	299.435
OT .....	18.064	37.787	57.519	78.356	101.542	293.268

SUMMARY TABLE 6.—FISCAL YEAR 2008 BUDGET RESOLUTION COMPARED TO 2007:  
TOTAL SPENDING AND REVENUES—Continued

[In billions of dollars]

Fiscal year	2008	2009	2010	2011	2012	2008–2012
Medicare (570):						
BA .....	24.434	51.579	77.217	123.948	121.676	398.854
OT .....	19.516	46.202	72.409	118.929	116.260	373.316
Income Security (600):						
BA .....	19.562	30.708	41.064	56.651	42.509	190.494
OT .....	19.342	29.254	38.218	52.703	37.926	177.443
Social Security (650):						
BA .....	27.230	58.138	93.615	131.600	174.212	484.795
OT .....	27.005	57.485	92.762	130.329	172.574	480.155
On-budget:						
BA .....	0.555	2.429	4.612	7.920	10.809	26.325
OT .....	0.555	2.429	4.612	7.920	10.809	26.325
Off-budget:						
BA .....	26.675	55.709	89.003	123.680	163.403	458.470
OT .....	26.450	55.056	88.150	122.409	161.765	453.830
Veterans Benefits and Services (700):						
BA .....	11.296	13.891	16.518	22.137	19.429	83.271
OT .....	10.430	15.339	17.368	23.068	20.257	86.462
Administration of Justice (750):						
BA .....	1.436	0.607	1.664	2.875	4.106	10.688
OT .....	1.496	2.652	2.845	3.505	4.548	15.046
General Government (800):						
BA .....	0.421	1.071	1.693	2.454	3.166	8.805
OT .....	0.424	0.754	1.191	1.796	2.619	6.784
Net Interest (900):						
BA .....	17.923	28.263	41.209	47.161	45.597	180.153
OT .....	17.923	28.263	41.209	47.161	45.597	180.153
On-budget:						
BA .....	25.023	44.763	68.709	86.761	98.097	323.353
OT .....	25.023	44.763	68.709	86.761	98.097	323.353
Off-budget:						
BA .....	-7.100	-16.500	-27.500	-39.600	-52.500	-143.200
OT .....	-7.100	-16.500	-27.500	-39.600	-52.500	-143.200
Allowances (920):						
BA .....	-0.785	-0.785	-0.785	-0.785	-0.785	-3.925
OT .....	-0.725	-0.755	-0.755	-0.755	-0.755	-3.745
Undistributed Offsetting Receipts (950):						
BA .....	-1.935	1.743	0.504	-3.052	-6.290	-9.030
OT .....	-1.935	1.734	0.504	-3.072	-6.293	-9.062
On-budget:						
BA .....	-1.265	3.154	2.781	0.139	-2.143	2.666
OT .....	-1.265	3.145	2.781	0.119	-2.146	2.634
Off-budget:						
BA .....	-0.670	-1.411	-2.277	-3.191	-4.147	-11.696
OT .....	-0.670	-1.411	-2.277	-3.191	-4.147	-11.696
Overseas Deployments and Other Activities (970):						
BA .....	20.853	-74.310	-124.310	-124.310	-124.310	-426.387
OT .....	83.408	77.919	10.818	-17.945	-27.021	127.179



**SUMMARY TABLE 7.—FISCAL YEAR 2008 BUDGET RESOLUTION COMPARED TO 2007:  
TOTAL SPENDING AND REVENUES**  
[Percentage change]

Fiscal year	2008	2009	2010	2011	2012
<b>Summary</b>					
<b>Total Spending:</b>					
BA .....	4.6	6.0	8.6	13.4	15.4
OT .....	6.6	10.9	12.9	16.9	18.2
<b>On-Budget:</b>					
BA .....	4.8	5.7	8.0	12.8	14.1
OT .....	7.2	11.5	13.1	17.0	17.4
<b>Off-Budget:</b>					
BA .....	3.5	7.8	12.2	16.8	22.4
OT .....	3.5	7.7	12.1	16.6	22.2
<b>Revenues:</b>					
Total .....	7.0	10.5	14.1	24.6	33.9
On-budget .....	7.7	10.6	13.6	25.7	36.4
Off-budget .....	4.9	10.2	15.7	21.2	26.7
<b>Surplus/Deficit (—)</b>					
Total .....	2.0	15.5	—1.8	—76.1	—173.2
On-budget .....	5.0	15.9	10.5	—24.9	—73.8
Off-budget .....	8.4	16.5	24.3	32.3	37.7
<b>By Function</b>					
<b>National Defense (050):</b>					
BA .....	—3.6	1.7	3.7	4.8	6.5
OT .....	—3.7	—1.9	0.4	2.5	2.6
<b>International Affairs (150):</b>					
BA .....	20.4	23.0	23.7	25.3	26.9
OT .....	5.7	4.0	4.4	5.4	7.4
<b>General Science, Space, and Technology (250):</b>					
BA .....	10.1	14.2	19.0	24.0	29.3
OT .....	8.0	15.9	20.3	22.7	27.9
<b>Energy (270):</b>					
BA .....	10.1	3.7	6.6	9.7	12.4
OT .....	—20.2	6.2	19.9	24.0	45.9
<b>Natural Resources and Environment (300):</b>					
BA .....	4.7	7.0	10.1	12.2	15.5
OT .....	5.9	7.3	8.1	9.2	11.0
<b>Agriculture (350):</b>					
BA .....	—5.1	—2.5	—1.6	—1.5	—0.3
OT .....	—1.0	1.6	1.9	3.5	5.7
<b>Commerce and Housing Credit (370):</b>					
BA .....	7.3	18.2	44.6	—15.6	—16.6
OT .....	221.3	162.8	278.6	46.9	—32.3
<b>On-budget:</b>					
BA .....	66.1	80.8	149.8	60.0	60.0
OT .....	—156.4	—128.3	—198.2	—154.8	—131.1
<b>Off-budget:</b>					
BA .....	—61.7	—55.3	—78.7	—104.3	—106.4
OT .....	—61.7	—55.3	—78.7	—104.3	—106.4
<b>Transportation (400):</b>					
BA .....	1.7	—6.1	—4.9	—3.7	—2.6
OT .....	8.1	12.3	15.2	16.4	18.8
<b>Community and Regional Development (450):</b>					
BA .....	—4.4	—11.4	—10.1	—8.8	—7.6
OT .....	—22.1	—27.6	—32.0	—37.6	—46.5
<b>Education, Training, Employment and Social Services (500):</b>					
BA .....	—0.3	4.3	6.0	6.1	6.3
OT .....	—1.2	1.9	4.1	5.5	5.1
<b>Health (550):</b>					
BA .....	7.0	14.9	21.6	29.8	38.4
OT .....	6.7	14.1	21.4	29.2	37.9
<b>Medicare (570):</b>					
BA .....	6.7	14.1	21.1	33.9	33.3
OT .....	5.3	12.5	19.6	32.1	31.4

SUMMARY TABLE 7.—FISCAL YEAR 2008 BUDGET RESOLUTION COMPARED TO 2007:  
TOTAL SPENDING AND REVENUES—Continued

[Percentage change]

Fiscal year	2008	2009	2010	2011	2012
<b>Income Security (600):</b>					
BA .....	5.4	8.5	11.4	15.7	11.8
OT .....	5.3	8.0	10.5	14.5	10.4
<b>Social Security (650):</b>					
BA .....	4.6	9.9	15.9	22.4	29.6
OT .....	4.6	9.8	15.8	22.3	29.5
<b>On-budget:</b>					
BA .....	2.9	12.7	24.2	41.5	56.6
OT .....	2.9	12.7	24.2	41.5	56.6
<b>Off-budget:</b>					
BA .....	4.7	9.8	15.6	21.7	28.7
OT .....	4.7	9.7	15.6	21.6	28.6
<b>Veterans Benefits and Services (700):</b>					
BA .....	15.3	18.8	22.4	30.0	26.3
OT .....	14.4	21.2	24.0	31.9	28.0
<b>Administration of Justice (750):</b>					
BA .....	3.2	1.3	3.7	6.3	9.0
OT .....	3.3	5.9	6.4	7.8	10.2
<b>General Government (800):</b>					
BA .....	2.3	5.9	9.3	13.5	17.4
OT .....	2.3	4.1	6.4	9.7	14.1
<b>Net Interest (900):</b>					
BA .....	7.6	11.9	17.4	19.9	19.3
OT .....	7.6	11.9	17.4	19.9	19.3
<b>On-budget:</b>					
BA .....	7.3	13.0	19.9	25.2	28.5
OT .....	7.3	13.0	19.9	25.2	28.5
<b>Off-budget:</b>					
BA .....	6.6	15.3	25.5	36.7	48.7
OT .....	6.6	15.3	25.5	36.7	48.7
<b>Allowances (920):</b>					
BA .....	-100.0	-100.0	-100.0	-100.0	-100.0
OT .....	-96.0	-100.0	-100.0	-100.0	-100.0
<b>Undistributed Offsetting Receipts (950):</b>					
BA .....	2.4	-2.1	-0.6	3.7	7.7
OT .....	2.4	-2.1	-0.6	3.7	7.7
<b>On-budget:</b>					
BA .....	1.8	-4.5	-4.0	-0.2	3.1
OT .....	1.8	-4.5	-4.0	-0.2	3.1
<b>Off-budget:</b>					
BA .....	5.5	11.5	18.5	26.0	33.8
OT .....	5.5	11.5	18.5	26.0	33.8
<b>Overseas Deployments and Other Activities (970):</b>					
BA .....	16.8	-59.8	-100.0	-100.0	-100.0
OT .....	264.7	247.3	34.3	-57.0	-85.8

### Votes of the Committee

House Rule XIII, Clause 3(b), requires that each committee report that accompanies any bill or resolution of a public nature include the total number of votes cast for and against on each roll call vote, on a motion to report, and any amendments offered to the measure or matter, along with the names of those voting for and against.

Described and listed below are the roll call votes from the Committee on the Budget on the Concurrent Resolution on the Budget for Fiscal Year 2008.

On March 21, 2007, the Committee met in open session. A quorum was present.

After calling the Committee to order, Chairman Spratt reminded all members that at the Committee's organizational meeting on January 18, 2007, consistent with Clause 4 of House Rule XVI, he was authorized to declare a recess at any time. There was no objection.

Chairman Spratt asked unanimous consent that the reading of the budget aggregates, function levels, and other appropriate matter be dispensed with; that the aggregates, function levels, and other matter be open to amendment at any time; that the reading of each amendment be by title; and that the reading of each amendment be dispensed with. There was no objection to these requests for unanimous consent.

The Committee adopted and ordered reported the Concurrent Resolution on the Budget for Fiscal Year 2008. The following votes were taken by the Committee:

1. An amendment was offered by Representatives Ryan, Tiberi, Porter, Campbell, Diaz-Balart, and McHenry to provide a reconciliation instruction to extend all 2001 and 2003 tax cuts at the cost of \$392.5 billion over five years. The amendment does not provide for any offset to the cost.

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

#### ROLLCALL VOTE NO. 1

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		

**ROLLCALL VOTE NO. 1—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)				HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)			
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

2. An amendment was offered by Representatives Hensarling, McHenry, Campbell, and Porter to add a Sense of the Congress on entitlement reform, stating that the budget resolution should include reconciliation instructions to cut entitlements by at least \$50 billion over the next five years, and that Congress should consider legislation this year to make Social Security, Medicare, and Medicaid solvent.

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

**ROLLCALL VOTE NO. 2**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		

**ROLLCALL VOTE NO. 2—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
KAPTUR (OH)				HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

3. An amendment was offered by Representatives Tiberi, Porter, Campbell, Diaz-Balart, and McHenry to provide reconciliation instructions to extend the marginal individual income tax rates at their current levels at a cost of \$203.3 billion over five years.

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

**ROLLCALL VOTE NO. 3**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)			

**ROLLCALL VOTE NO. 3—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

4. An amendment was offered by Representatives Campbell, Tiberi, Porter, Diaz-Balart, and McHenry to provide reconciliation instructions to extend the capital gains and dividend income tax rates at their current levels at a cost of \$32.4 billion over five years. The amendment does not provide for any offset to the cost.

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

**ROLLCALL VOTE NO. 4**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		

**ROLLCALL VOTE NO. 4—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)				ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

5. An amendment was offered by Representatives Porter, Tiberi, Campbell, Diaz-Balart, McHenry, and Smith to provide reconciliation instructions to extend the \$1,000 child tax credit at a cost of \$40.9 billion over five years. The amendment does not provide for any offset to the cost.

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

**ROLLCALL VOTE NO. 5**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)				LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		

**ROLLCALL VOTE NO. 5—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

6. An amendment was offered by Representatives Bonner, Tiberi, Porter, Campbell, Diaz-Balart, McHenry, and Smith to provide reconciliation instructions to extend marriage penalty relief at a cost of \$13.1 billion over five years. The amendment does not provide for any offset to the cost.

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

**ROLLCALL VOTE NO. 6**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)				LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		



**ROLLCALL VOTE NO. 6—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

7. An amendment was offered by Representatives Diaz-Balart, Conaway, Tiberi, Porter, Campbell, and McHenry to provide reconciliation instructions to extend the repeal of the estate tax beyond 2010 at a cost of \$102.4 billion over five years. The amendment does not provide for any offset to the cost.

The amendment was not agreed to by a roll call vote of 17 ayes to 22 nays.

**ROLLCALL VOTE NO. 7**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		

**ROLLCALL VOTE NO. 7—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

8. An amendment was offered by Representatives Porter, Mack, Diaz-Balart, Smith, Alexander, Conaway, and McHenry to provide reconciliation instructions to extend the deduction for state and local sales taxes at a cost of \$10.4 billion over five years. The amendment does not provide for any offset to the cost.

The amendment was not agreed to by a roll call vote of 17 ayes to 22 nays.

**ROLLCALL VOTE NO. 8**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					

**ROLLCALL VOTE NO. 8—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

9. An amendment was offered by Representatives McCotter and Garrett to add language specifying that revenues received through closing the tax gap should only be used to pay down the deficit and instructing the Ways and Means Committee not to report a bill requiring an individual to submit a form 1099 to non-employee service providers such as babysitters, lawnmowers, and electricians.

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

**ROLLCALL VOTE NO. 9**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					

**ROLLCALL VOTE NO. 9—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
MOORE, GWEN (WI)		X					

10. An amendment was offered by Representatives Bonner, Tiberi, and Barrett to establish a PAYGO point of order in House rules that would apply to direct spending legislation—but not revenue measures—that would increase the “on-budget” deficit.

The amendment was not agreed to by a roll call vote of 15 ayes to 20 nays.

**ROLLCALL VOTE NO. 10**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)				GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)		X	
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

11. An amendment was offered by Representative Ryan to provide a reconciliation instruction for the reauthorization of the SCHIP program for 5 years and provide approximately \$15 billion

in additional funds. The amendment limits funds to children and pregnant women below 200 percent of poverty. These funds would be offset by an across-the-board 0.3 percent reduction in non-Social Security, non-veterans' programs.

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

**ROLLCALL VOTE NO. 11**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

12. An amendment was offered by Representatives Hensarling, Ryan, and Smith to establish legislative line-item veto authority that would allow the President to propose rescissions during the fiscal year and to require Congress to consider his proposal under specified procedures.

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

**ROLLCALL VOTE NO. 12**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)	X			GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)		X	
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

13. An amendment was offered by Representative Conaway to require that all earmarks be included in the legislative text of every bill, and not only in report language.

The amendment was not agreed to by a rollcall vote of 15 ayes to 23 nays.

**ROLLCALL VOTE NO. 13**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		

**ROLLCALL VOTE NO. 13—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)		X	
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

An amendment was offered by Representative Ryan to express the Sense of Congress that a new system of refundable health care tax credits be established for individuals and families who do not have employer-based health insurance. Mr. Ryan then asked that the amendment be withdrawn. There was no objection to this request.

14. An amendment was offered by Representatives Barrett, Garrett, and McHenry to strike the resolution's section 303(b) and establish a cap of \$6.45 billion on emergency non-defense discretionary spending.

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

**ROLLCALL VOTE NO. 14**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		

**ROLLCALL VOTE NO. 14—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)				SIMPSON (ID)		X	
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

15. An amendment was offered by Representatives Conaway, Lungren, and Smith to provide a separate allocation of \$8.174 billion to the House Appropriations Committee for Base Realignment and Closure.

The amendment was not agreed to by a rollcall vote of 15 ayes to 22 nays.

**ROLLCALL VOTE NO. 15**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		



**ROLLCALL VOTE NO. 15—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)			
DOGGETT (TX)		X		SIMPSON (ID)		X	
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

16. An amendment was offered by Representatives Mack, Hensarling, Bonner, and McHenry to provide reconciliation instructions to the Judiciary Committee to reduce outlays for fiscal year 2008 through 2012 by at least \$2 billion in outlays for fiscal year 2008 through 2012 to address medical malpractice reform.

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

**ROLLCALL VOTE NO. 16**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)			
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		

**ROLLCALL VOTE NO. 16—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

17. An amendment was offered by Representatives Hensarling, Porter, and Smith to provide a separate allocation of \$43.055 billion to the House Appropriations Committee for Veterans programs.

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

**ROLLCALL VOTE NO. 17**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		

**ROLLCALL VOTE NO. 17—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

18. An amendment was offered by Representatives Lungren, McHenry, Alexander, Hensarling, and Smith to add \$2.0 billion to Function 750 (Administration of Justice) for additional border security, offset by cutting a combined \$2 billion from Functions 150 (International Affairs) and 800 (General Government).

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

**ROLLCALL VOTE NO. 18**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		

**ROLLCALL VOTE NO. 18—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

An amendment was offered by Representatives Ryan and G. Moore to express the Sense of the House that legislative action is needed to ensure that states have the necessary resources to collect child support and to allow them to pass through 100 percent of collections to families, and that passing through child support increases compliance.

The amendment was adopted by voice vote.

An amendment was offered by Representative Conaway to allow members of Congress to designate any savings that result from successful amendments to appropriations bills for reduction of the federal deficit. Mr. Conaway then asked for unanimous consent that the amendment be withdrawn and that the Committee instead pursue a hearing on the topic at a later date.

There was no objection to this request for unanimous consent.

19. An amendment was offered by Representative Conaway to require any legislation that “establishes a new program” or adds a new function to an existing program to be offset by spending cuts. It includes an exception for defense, homeland security, and emergency programs.

The amendment was not agreed to by a roll call vote of 17 ayes to 19 nays.

**ROLLCALL VOTE NO. 19**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		

**ROLLCALL VOTE NO. 19—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)				SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

20. An amendment was offered by Representatives McHenry, Smith, and Ryan to stipulate that tax increases cannot be counted as offsets against spending increases within deficit-neutral reserve funds.

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

**ROLLCALL VOTE NO. 20**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		

**ROLLCALL VOTE NO. 20—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

21. An amendment was offered by Representatives Alexander and Campbell to create a point of order against any appropriations bill which increased funding over the 2007 level for a program that was found “ineffective” or failed as part of the Administration’s Program Assessment Rating Tool (PART).

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

**ROLLCALL VOTE NO. 21**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		

**ROLLCALL VOTE NO. 21—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

22. An amendment was offered by Representatives Hensarling and Barrett to institute total non-emergency discretionary spending caps for 2008 through 2010 at the President's requested levels, and to add a Sense of Congress that discretionary spending for those three years should grow by no more than 2.1 percent.

The amendment was not agreed to by a roll call vote of 15 ayes to 20 nays.

**ROLLCALL VOTE NO. 22**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		

**ROLLCALL VOTE NO. 22—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)			
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

23. An amendment was offered by Representative Barrett to freeze non-security discretionary funding.

The amendment was not agreed to by a roll call vote of 13 ayes to 21 nays, with one Member voting present.

**ROLLCALL VOTE NO. 23**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)			
BECERRA (CA)		X		LUNGREN (CA)			X
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)				CAMPBELL (CA)	X		
SUTTON (OH)				TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)		X	
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		



## ROLLCALL VOTE NO. 23—Continued

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

An amendment was offered by Representative Garrett to insert Sense of the House language that appropriations of \$10 million per year should be provided from the Land and Water Conservation Fund to pay for conservation projects under the Highlands Conservation Act.

The amendment was defeated by voice vote.

An amendment was offered by Representatives Garrett and Edwards to add a Sense of the House provision that the U.S. government should pay a plot allowance to a State for the burial of a veteran's spouse or eligible child in a State veterans cemetery, consistent with the pay-as-you-go principle.

The amendment was agreed to by voice vote.

24. An amendment was offered by Representative Porter to reduce Function 270 (Energy) by \$495 million and use amounts from Yucca Mountain Nuclear Waste Disposal Fund for deficit reduction.

The amendment was not agreed to by a roll call vote of 12 ayes to 23 nays.

## ROLLCALL VOTE NO. 24

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)			
EDWARDS (TX)		X		BONNER (AL)			
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)		X	
DOGGETT (TX)		X		SIMPSON (ID)			
BLUMENAUER (OR)		X		McHENRY (NC)	X		
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)			
McGOVERN (MA)		X		CAMPBELL (CA)	X		

**ROLLCALL VOTE NO. 24—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

An amendment was offered by Representative Etheridge to add policy language on college affordability to specify that the resolution's reconciliation instruction to the Committee on Education and Labor shall not be construed to reduce any assistance that makes college more affordable for students, including but not limited to assistance to student aid programs run by nonprofit state agencies.

The amendment was agreed to by voice vote.

25. An amendment was offered by Representatives Hensarling and Barrett to repeal House Rule XXVII, to require the Budget Committee to prepare "budget compliance statements" that would accompany committee reports, to require cost estimates for conference reports and unreported bills, and to create a point of order for any conference report or unreported bill that fails to include such a cost estimate.

The amendment was not agreed to by a roll call vote of 17 ayes to 22 nays.

**ROLLCALL VOTE NO. 25**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)		X		RYAN (WI) (Ranking)	X		
DeLAURO (CT)		X		BARRETT (SC)	X		
EDWARDS (TX)		X		BONNER (AL)	X		
COOPER (TN)		X		GARRETT (NJ)	X		
ALLEN (ME)		X		McCOTTER (MI)	X		
SCHWARTZ (PA)		X		DIAZ-BALART (FL)	X		
KAPTUR (OH)		X		HENSARLING (TX)	X		
BECERRA (CA)		X		LUNGREN (CA)	X		
DOGGETT (TX)		X		SIMPSON (ID)	X		
BLUMENAUER (OR)		X		McHENRY (NC)	X		

**ROLLCALL VOTE NO. 25—Continued**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
BERRY (AR)		X		MACK (FL)	X		
BOYD (FL)		X		CONAWAY (TX)	X		
McGOVERN (MA)		X		CAMPBELL (CA)	X		
SUTTON (OH)		X		TIBERI (OH)	X		
ANDREWS (NJ)		X		PORTER (NV)	X		
SCOTT (VA)		X		ALEXANDER (LA)	X		
ETHERIDGE (NC)		X		SMITH (NE)	X		
HOOLEY (OR)		X					
BAIRD (WA)		X					
MOORE, DENNIS (KS)		X					
BISHOP (NY)		X					
MOORE, GWEN (WI)		X					

Ms. DeLauro moved that the Committee adopt the aggregates, functional totals, and other matters, as amended. The motion was agreed to by voice vote.

Ms. DeLauro moved that the Committee order the Concurrent Resolution to be reported to the House with the recommendation that the resolution do pass. The motion was agreed to by a roll call vote of 22 ayes and 17 nays. The resolution was reported favorably to the House.

**ROLLCALL VOTE NO. 26**

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
SPRATT (SC) (Chairman)	X			RYAN (WI) (Ranking)		X	
DeLAURO (CT)	X			BARRETT (SC)		X	
EDWARDS (TX)	X			BONNER (AL)		X	
COOPER (TN)	X			GARRETT (NJ)		X	
ALLEN (ME)	X			McCOTTER (MI)		X	
SCHWARTZ (PA)	X			DIAZ-BALART (FL)		X	
KAPTUR (OH)	X			HENSARLING (TX)		X	
BECERRA (CA)	X			LUNGREN (CA)		X	
DOGGETT (TX)	X			SIMPSON (ID)		X	
BLUMENAUER (OR)	X			McHENRY (NC)		X	
BERRY (AR)	X			MACK (FL)		X	
BOYD (FL)	X			CONAWAY (TX)		X	

## ROLLCALL VOTE NO. 26—Continued

Name & State	Aye	No	Answer Present	Name & State	Aye	No	Answer Present
McGOVERN (MA)	X			CAMPBELL (CA)		X	
SUTTON (OH)	X			TIBERI (OH)		X	
ANDREWS (NJ)	X			PORTER (NV)		X	
SCOTT (VA)	X			ALEXANDER (LA)		X	
ETHERIDGE (NC)	X			SMITH (NE)		X	
HOOLEY (OR)	X						
BAIRD (WA)	X						
MOORE, DENNIS (KS)	X						
BISHOP (NY)	X						
MOORE, GWEN (WI)	X						

Ms. DeLauro, pursuant to House Rule XXII, Clause 1, moved that the Chairman be authorized to offer such motions in the House as may be necessary to go to conference; and that the staff be authorized to make technical and conforming corrections in the resolution and committee amendments, and to calculate the remaining elements required on the resolution, prior to the filing of the resolution. The motions were agreed to by a voice vote.

Chairman Spratt adjourned the Committee.

### **House Rule XXVII**

The adoption of a conference agreement by the two houses on a concurrent resolution on the budget would result in the engrossment of a House Joint Resolution changing the statutory limit on the public debt pursuant to House Rule XXVII, clause 3. The rule requires a joint resolution in the following form:

Resolved, by the Senate and the House of Representatives of the United States in Congress assembled, that subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof \$9,461,000,000,000.



## Other Matters To Be Included Under the Rules of the House

### COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

House Rule XIII, Clause 3(c)(1), requires that each committee report include oversight findings and recommendations pursuant to House Rule X, Clause 2(b)(1). The Committee on the Budget has no such findings at this time.

### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

House Rule XIII, Clause 3(c)(2), provides that committee reports shall include the statement required by Section 308(a)(1) of the Congressional Budget Act of 1974. As a concurrent resolution that sets forth a blueprint for the Congressional budget, the budget resolution does not provide new budget authority or new entitlement authority or change revenues. Therefore, this report does not contain such a statement.

### GENERAL PERFORMANCE GOALS AND OBJECTIVES

House Rule XIII, Clause 3(c)(4), requires that each committee report include a statement of general performance goals and objectives, including outcome-related goals and objectives, for which the measure authorizes funding. Because the Concurrent Resolution on the Budget does not authorize funding, the committee does not have any such goals and objectives to report.

## Minority Views

### IRRESOLUTION ON THE BUDGET

“It’s always easier to defer, to kick the can down the road to avoid making choices.”—*Senate Budget Committee Chairman Kent Conrad, on 60 Minutes, 4 March 2007.*

The document reported by the Committee on the Budget reflects a staggering set of contradictions. While claiming to reject the largest tax increase in American history, the measure’s revenue figures rely on that very tax hike to reach balance. While promising more than \$115 billion in new spending initiatives, the document’s allocations support none of them. Having heard extensive testimony about the need to reform government entitlements, the Democrats could offer no more than a negligible \$75 million in reconciled savings—and that only as a gimmick to protect a forthcoming reauthorization bill from a Senate filibuster; and the savings are spent elsewhere anyway.

If a budget is a plan for financing one’s objectives, whatever they are—if it assigns dollars to specific goals—the Democrat measure is not a budget. If budgeting is intrinsic to governing, the Democrat proposal does neither; and it offers no resolution of the principal fiscal issues that face the Nation and the government.

But if taken seriously, the Democrat budget insists that the right formula for America is bigger government, more spending, and ever-higher taxes. It fails completely to recognize a fundamental truth expressed by President Reagan in his first inaugural: “We are a Nation that has a government—not the other way around.”

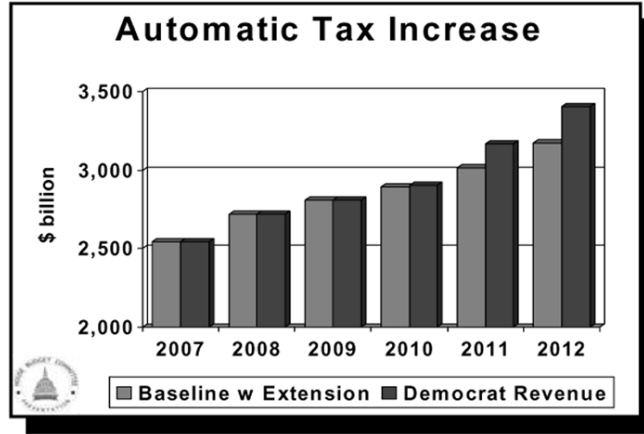
The Democrat budget proposes the largest tax increase in American history—\$392.5 billion over 5 years—mainly to finance immense new spending through 2012. It also puts off entitlement reform for at least 5 years, despite repeated warnings during committee hearings that delaying reform invites a fiscal and economic crisis for these programs.

The principal failures of the Democrat budget are described below.

### HIGHER TAXES

**The Largest Tax Increase in History.** Although the Democrats try to claim otherwise, revenue numbers in the budget clearly show tax increases totaling \$392.5 billion over 5 years, compared with retaining provisions of the 2001 and 2003 tax laws that are currently in place. Taxes increase by \$231 billion in 2012 alone, which is even greater than the \$153-billion surplus the budget claims.



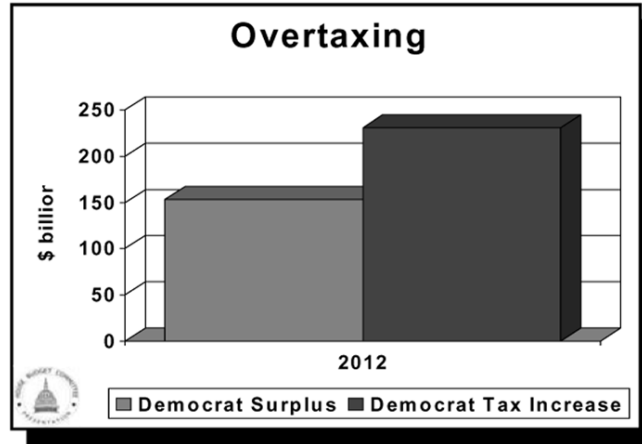


**Tax Increases Are Widespread.** Tax increases would hit middle-income families, low-income earners, families with children, small businesses, and a range of others. Here is a sampling of the implicit tax increases:

Tax Increase	5-Year Total
Increase in Marginal Rates .....	\$182 billion
Reduction of Child Tax Credit .....	\$27 billion
Increase in Marriage Penalty .....	\$13 billion
Increase in Death Tax .....	\$91 billion
Increase in Capital Gains and Dividends Tax Rates .....	\$32.5 billion
Other Tax Increases .....	\$47 billion

The budget contains language, in its novel “Policy” title (Title IV) claiming its intent to protect current tax rates, and not to raise taxes. But the language is not supported by the budget figures, which embrace the automatic tax increases. Further, as noted, the Democrat budget cannot reach balance without them.

**Sets the Stage for at Least \$115 Billion in Further Tax Hikes.** Ten of the budget’s 12 “reserve funds” call for more than \$115 billion in higher spending if offset with commensurate savings or—as is far more likely—higher taxes.



**Ignoring Economic Consequences.** These massive tax increases would likely reverse the economic gains that have developed since adoption of the 2001 and 2003 tax laws, which include: 7.6 million new jobs—an average of 168,500 per month; growth in real gross domestic product [GDP] of 3.5 percent per year over the past 15 quarters; increased business investment for the past 15 quarters; and a Dow Jones Industrial average roughly 41 percent higher than the 2003 level.

**Ignoring Fiscal Benefits.** The Democrat tax increases also threaten the substantial deficit reduction that has occurred in the past several years.

- Revenue increased in double-digit percentages in 2005 and 2006, and 9.3 percent in the first five months of fiscal year 2007—reaching 18.5 percent of GDP, higher than the average of the past four decades.
- This revenue growth has been the principal factor in reducing the budget deficit from \$412.7 billion in 2004 to an estimated \$176 billion this year, according to the Congressional Budget Office.

**No AMT Fix.** The Democrats *fail to provide, in their numbers, even a one-year patch for the alternative minimum tax [AMT]*. Instead, the budget employs a “reserve fund” that allows AMT relief only if offset by equivalent tax increases or spending cuts—which are not spelled out. The budget also fails to extend the research and development credit and other routine tax provisions.

**The ‘Mystical Tax Gap.’** The budget includes budget enforcement language allowing an unspecified amount of increased appropriations to improve tax compliance—apparently seeking to close the so-called “tax gap.” The Commissioner of the Internal Revenue Service has testified the IRS could collect, at best, about \$20 billion of these taxes 5 years after implementing specific policies recommended in the President’s budget. Yet the Democrats, during markup, insisted that closing the mystical tax gap could prevent many of the tax increases their budget contains.

## HUGE SPENDING INCREASES

**Hefty Year-to-Year Appropriations Increase.** Having already increased current-year spending by \$6.1 billion, and adding more than \$20 billion to the Iraq supplemental, Democrats in their budget propose another increase of more than \$22.5 billion in non-defense, nonemergency annual appropriations for fiscal year 2008.

**Increases ‘Advance Appropriations.’** The budget also increases by about \$2 billion, to \$25.6 billion, the amount that can be appropriated in fiscal year 2009 or later.

**Outspends Inflation Later.** For the years 2009-12, the budget assumes annual nondefense, nonemergency appropriations will increase by an average of 2.4 percent per year, which is still greater than the projected rate of inflation.

**Reckless Entitlement Spending Increases.** Despite warnings by numerous witnesses about the unsustainable rate of entitlement spending, the budget’s reserve funds nevertheless provide for higher mandatory spending. As noted above, 10 of the budget’s 12 “reserve funds” create avenues for more than \$115 billion in higher spending if offset with higher taxes (or spending reductions, which appear nowhere in the Democrat proposal).

## NO SIGNIFICANT REFORM OR OFFSETS

## THE NEED FOR ENTITLEMENT REFORM

During committee hearings over the past several weeks, a series of expert witnesses testified to the unsustainable growth of entitlement programs—especially Medicare and Medicaid—and the urgent need to begin reforming them. Among the most significant statements from these hearings were the following:

- Without “early and meaningful action” to address the rapid growth of entitlements, “the U.S. economy could be seriously weakened, with future generations bearing much of the cost.”—*Federal Reserve Chairman Ben S. Bernanke, Budget Committee hearing, 28 February 2007.*
- “Health care is the number one fiscal challenge for the Federal and State governments \* \* \* it is the number one competitiveness challenge for American business; and \* \* \* it is a growing challenge for American families. If there is one thing that can bankrupt America, it is health care. We need dramatic and fundamental reforms.”—*Comptroller General David M. Walker, Budget Committee hearing, 23 January 2007.*
- The rising costs of government entitlements are a “fiscal cancer” that threatens “catastrophic consequences for our country” and could “bankrupt America.”—*Comptroller General Walker on 60 Minutes, 4 March 2007.*

A legion of facts support these concerns:

- Even if taxes were increased by \$392.5 billion in the next 5 years, as proposed in the Democrat budget, Federal spending at its current rate will outpace Federal revenue by increasing amounts over the next several decades—mainly due to entitle-

ments, which are growing at an average of 6 percent per year—twice as fast as inflation, and faster than the entire economy.

- The principal drivers of this problem are Medicare and Medicaid, which are growing at 7 percent to 8 percent per year. Even if the budget were balanced today, these two programs *alone* would drive it right back into deficit. With the forthcoming retirement of the baby boomers, the situation will only get worse.
- By 2040, three entitlement programs—Social Security, Medicare, and Medicaid alone—will consume 20 percent of the Nation’s economy. That is equivalent to the cost of the entire Federal Government today; and it will take twice the current rate of taxes *just to maintain the current level of entitlement benefits*.
- In less than a decade, entitlements will take up 62 percent of the entire Federal budget—and they will keep growing until they crowd out all other spending—including education, science, the environment, agriculture, and even homeland security and defense.

But this challenge is also an *opportunity*—an opportunity to make these programs better, more efficient, more responsive, more sustainable for the future.

#### DEMOCRAT BUDGET IGNORES THE WARNINGS— AND THE OPPORTUNITY

Ignoring all of this, however, the Democrat budget puts off any significant reform for at least 5 years—allowing the problem to worsen. Instead, it succumbs to the temptation noted by Senate Budget Committee Chairman Kent Conrad: “It’s always easier to defer, to kick the can down the road to avoid making choices.” (*60 Minutes*, 4 March 2007.)

The only savings in the budget are a negligible \$75 million reconciled to the Education and Labor Committee (which is merely a lever to get higher education reauthorization considered under reconciliation procedures and the savings are spent elsewhere); and \$410 million in receipts from selling defense commodities such as Tungsten. These are not reforms, and they do nothing to address the massive entitlement problem. In contrast, the Deficit Reduction Act of 2005 saved nearly \$40 billion over 5 years, and the President’s budget for fiscal year 2008 proposed \$96 billion in mandatory savings.

#### OTHER FAILURES OF THE DEMOCRAT BUDGET

Here are some of the other flaws in the budget:

##### NO ACCOUNTABILITY

**Retains Bias Favoring Higher Spending, Higher Taxes.** The budget assumes that tax relief expires—causing automatic tax increases—but spending programs continue indefinitely.

**Fails to Strengthen PAYGO.** It retains the weak House pay-as-you-go [PAYGO] rule, which allows Democrats to chase higher spending with higher taxes, and to enact spending increases immediately with savings that do not occur until later.

**No Emergency Set-Aside.** The budget eliminates the domestic emergency set-aside contained in the current budget resolution, and provides no criteria for domestic emergency spending—which is exempt from budget disciplines.

## GIMMICKS

**Straw Man Reserve Funds.** Instead of providing funding for promised initiatives, the budget includes 10 reserve funds that promise extra funding for pet initiatives if offsets are included. The reserve funds have no real effect because budget rules already permit initiatives not assumed in the budget to be financed by offsets.

**No Defense Firewall.** By not imposing a firewall around defense, the budget allows Democrats to continue moving money from defense to nondefense, as they did with Base Realignment and Closure [BRAC] Commission funding.

## DOUBLE STANDARD

**No AMT Reform.** After repeatedly blasting Republicans for failing to provide a permanent reform of the alternative minimum tax [AMT], the Democrat budget *fails to provide even a one-year patch*. Instead the budget employs a “reserve fund” that allows AMT relief only if offset by equivalent tax increases or spending cuts—which are not spelled out.

**No Additional Iraq Funding.** The budget adopts the President’s requested levels for Iraq funding. Yet after criticizing the President for showing no Iraq funding after 2009, the budget adopts the same policy.

## CONCLUSION

Budgeting is the process of fleshing out policy objectives with the substance of financial resources. But the Democrat proposal fails this basic reason for writing a budget: it is all intention with no real follow-through.

If taken seriously, however, the Democrat budget insists that the answer to America’s challenges is more government, more spending, more taxes. This has never been the correct answer—and it isn’t now.

PAUL RYAN,  
Ranking Republican Mem-  
ber.

J. GRESHAM BARRETT,  
Vice Ranking Republican  
Member.

JO BONNER.  
SCOTT GARRETT.  
THADDEUS MCCOTTER.  
MARIO DIAZ-BALART.  
JEB HENSARLING.  
DANIEL E. LUNGREN.  
MICHAEL K. SIMPSON.  
PATRICK T. MCHENRY.  
CONNIE MACK.

K. MICHAEL CONAWAY.  
JOHN CAMPBELL.  
PATRICK J. TIBERI.  
JON C. PORTER.  
RODNEY ALEXANDER.  
ADRIAN SMITH.

ADDITIONAL MINORITY VIEWS FY2008 BUDGET  
RESOLUTION

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

PATRICK MCHENRY,  
*Member of Congress.*

110TH CONGRESS  
1ST SESSION

## H. CON. RES. 99

Revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012.

### CONCURRENT RESOLUTION

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

#### SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008.

(a) DECLARATION.—The Congress determines and declares that the concurrent resolution on the budget for fiscal year 2007 is revised and replaced and that this is the concurrent resolution on the budget for fiscal year 2008, including appropriate budgetary levels for fiscal years 2009 through 2012.

(b) TABLE OF CONTENTS.—

Sec. 1. Concurrent resolution on the budget for fiscal year 2008.

#### TITLE I—RECOMMENDED LEVELS AND AMOUNTS

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

#### TITLE II—RESERVE FUNDS

Sec. 201. Reserve fund for the State Children's Health Insurance Program.  
Sec. 202. Reserve fund for reform of the alternative minimum tax.  
Sec. 203. Reserve fund to provide for middle-income tax relief and economic equity.  
Sec. 204. Reserve fund for agriculture.  
Sec. 205. Reserve fund for higher education.  
Sec. 206. Reserve fund for improvements in medicare.  
Sec. 207. Reserve fund for creating long-term energy alternatives.  
Sec. 208. Reserve fund for affordable housing.  
Sec. 209. Reserve fund for equitable benefits for Filipino veterans of World War II.  
Sec. 210. Reserve fund for Secure Rural Schools and Community Self-Determination Act reauthorization.  
Sec. 211. Reserve fund for receipts from the Bonneville Power Administration.  
Sec. 212. Reserve fund for Transitional Medical Assistance.

#### TITLE III—BUDGET ENFORCEMENT

Sec. 301. Program integrity initiatives.  
Sec. 302. Advance appropriations.  
Sec. 303. Overseas deployments and emergency needs.  
Sec. 304. Application and effect of changes in allocations and aggregates.  
Sec. 305. Adjustments to reflect changes in concepts and definitions.  
Sec. 306. Compliance with section 13301 of the Budget Enforcement Act of 1990.  
Sec. 307. Exercise of rulemaking powers.

#### TITLE IV—POLICY

Sec. 401. Policy on middle-income tax relief.



- Sec. 402. Policy on defense priorities.  
 Sec. 403. Policy on college affordability.

#### TITLE V—SENSE OF THE HOUSE

- Sec. 501. Sense of the House on servicemembers' and veterans' health care and other priorities.  
 Sec. 502. Sense of the House on the Innovation Agenda: A commitment to competitiveness to keep America #1.  
 Sec. 503. Sense of the House on homeland security.  
 Sec. 504. Sense of the House regarding the ongoing need to respond to Hurricanes Katrina and Rita.  
 Sec. 505. Sense of the House regarding long-term sustainability of entitlements.  
 Sec. 506. Sense of the House regarding the need to maintain and build upon efforts to fight hunger.  
 Sec. 507. Sense of the House regarding affordable health coverage.  
 Sec. 508. Sense of the House regarding extension of the statutory pay-as-you-go rule.  
 Sec. 509. Sense of the House on long-term budgeting.  
 Sec. 510. Sense of the House regarding pay parity.  
 Sec. 511. Sense of the House regarding waste, fraud, and abuse.  
 Sec. 512. Sense of the House regarding the importance of child support enforcement.  
 Sec. 513. Sense of the House on State veterans cemeteries.

#### TITLE VI—RECONCILIATION

- Sec. 601. Reconciliation.

## TITLE I—RECOMMENDED LEVELS AND AMOUNTS

### SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2007 through 2012:

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

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

Fiscal year 2007: \$1,904,706,000,000.  
 Fiscal year 2008: \$2,050,797,000,000.  
 Fiscal year 2009: \$2,106,926,000,000.  
 Fiscal year 2010: \$2,163,721,000,000.  
 Fiscal year 2011: \$2,394,551,000,000.  
 Fiscal year 2012: \$2,597,096,000,000.

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

Fiscal year 2007: \$0.  
 Fiscal year 2008: \$0.  
 Fiscal year 2009: \$0.  
 Fiscal year 2010: \$0.  
 Fiscal year 2011: \$0.  
 Fiscal year 2012: \$0.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2007: \$2,380,614,000,000.  
 Fiscal year 2008: \$2,495,291,000,000.  
 Fiscal year 2009: \$2,516,301,000,000.  
 Fiscal year 2010: \$2,569,952,000,000.

Fiscal year 2011: \$2,684,936,000,000.

Fiscal year 2012: \$2,716,188,000,000.

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

Fiscal year 2007: \$2,300,065,000,000.

Fiscal year 2008: \$2,465,888,000,000.

Fiscal year 2009: \$2,565,305,000,000.

Fiscal year 2010: \$2,600,718,000,000.

Fiscal year 2011: \$2,691,358,000,000.

Fiscal year 2012: \$2,700,809,000,000.

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

Fiscal year 2007: -\$395,359,000,000.

Fiscal year 2008: -\$415,091,000,000.

Fiscal year 2009: -\$458,379,000,000.

Fiscal year 2010: -\$436,997,000,000.

Fiscal year 2011: -\$296,807,000,000.

Fiscal year 2012: -\$103,713,000,000.

(5) DEBT SUBJECT TO LIMIT.—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the debt subject to limit are as follows:

Fiscal year 2007: \$8,927,000,000,000.

Fiscal year 2008: \$9,461,000,000,000.

Fiscal year 2009: \$10,036,000,000,000.

Fiscal year 2010: \$10,591,000,000,000.

Fiscal year 2011: \$11,001,000,000,000.

Fiscal year 2012: \$11,231,000,000,000.

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

Fiscal year 2007: \$5,042,000,000,000.

Fiscal year 2008: \$5,269,000,000,000.

Fiscal year 2009: \$5,524,000,000,000.

Fiscal year 2010: \$5,743,000,000,000.

Fiscal year 2011: \$5,805,000,000,000.

Fiscal year 2012: \$5,663,000,000,000.

#### **SEC. 102. MAJOR FUNCTIONAL CATEGORIES.**

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2007 through 2012 for each major functional category are:

(1) National Defense (050):

Fiscal year 2007:

(A) New budget authority, \$525,797,000,000.

(B) Outlays, \$534,270,000,000.

Fiscal year 2008:

(A) New budget authority, \$506,995,000,000.

(B) Outlays, \$514,401,000,000.

Fiscal year 2009:

(A) New budget authority, \$534,705,000,000.

(B) Outlays, \$524,384,000,000.

Fiscal year 2010:

(A) New budget authority, \$545,171,000,000.

(B) Outlays, \$536,433,000,000.

- Fiscal year 2011:  
 (A) New budget authority, \$550,944,000,000.  
 (B) Outlays, \$547,624,000,000.
- Fiscal year 2012:  
 (A) New budget authority, \$559,799,000,000.  
 (B) Outlays, \$548,169,000,000.
- (2) International Affairs (150):  
 Fiscal year 2007:  
 (A) New budget authority, \$28,795,000,000.  
 (B) Outlays, \$31,308,000,000.
- Fiscal year 2008:  
 (A) New budget authority, \$34,675,000,000.  
 (B) Outlays, \$33,096,000,000.
- Fiscal year 2009:  
 (A) New budget authority, \$35,428,000,000.  
 (B) Outlays, \$32,557,000,000.
- Fiscal year 2010:  
 (A) New budget authority, \$35,623,000,000.  
 (B) Outlays, \$32,687,000,000.
- Fiscal year 2011:  
 (A) New budget authority, \$36,083,000,000.  
 (B) Outlays, \$33,006,000,000.
- Fiscal year 2012:  
 (A) New budget authority, \$36,530,000,000.  
 (B) Outlays, \$33,613,000,000.
- (3) General Science, Space, and Technology (250):  
 Fiscal year 2007:  
 (A) New budget authority, \$25,079,000,000.  
 (B) Outlays, \$24,516,000,000.
- Fiscal year 2008:  
 (A) New budget authority, \$27,611,000,000.  
 (B) Outlays, \$26,472,000,000.
- Fiscal year 2009:  
 (A) New budget authority, \$28,641,000,000.  
 (B) Outlays, \$28,411,000,000.
- Fiscal year 2010:  
 (A) New budget authority, \$29,844,000,000.  
 (B) Outlays, \$29,485,000,000.
- Fiscal year 2011:  
 (A) New budget authority, \$31,103,00,000.  
 (B) Outlays, \$30,089,000,000.
- Fiscal year 2012:  
 (A) New budget authority, \$32,438,000,000.  
 (B) Outlays, \$31,367,000,000.
- (4) Energy (270):  
 Fiscal year 2007:  
 (A) New budget authority, \$2,943,000,000.  
 (B) Outlays, \$1,369,000,000.
- Fiscal year 2008:  
 (A) New budget authority, \$3,240,000,000.  
 (B) Outlays, \$1,092,000,000.
- Fiscal year 2009:  
 (A) New budget authority, \$3,051,000,000.  
 (B) Outlays, \$1,454,000,000.

- Fiscal year 2010:
  - (A) New budget authority, \$3,136,000,000.
  - (B) Outlays, \$1,641,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$3,228,000,000.
  - (B) Outlays, \$1,697,000,000.
- Fiscal year 2012:
  - (A) New budget authority, \$3,307,000,000.
  - (B) Outlays, \$1,997,000,000.
- (5) Natural Resources and Environment (300):
  - Fiscal year 2007:
    - (A) New budget authority, \$31,332,000,000.
    - (B) Outlays, \$32,919,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$32,813,000,000.
    - (B) Outlays, \$34,864,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$33,529,000,000.
    - (B) Outlays, \$35,332,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$34,483,000,000.
    - (B) Outlays, \$35,574,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$35,152,000,000.
    - (B) Outlays, \$35,952,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$36,194,000,000.
    - (B) Outlays, \$36,543,000,000.
- (6) Agriculture (350):
  - Fiscal year 2007:
    - (A) New budget authority, \$21,471,000,000.
    - (B) Outlays, \$19,738,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$20,381,000,000.
    - (B) Outlays, \$19,549,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$20,933,000,000.
    - (B) Outlays, \$20,059,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$21,138,000,000.
    - (B) Outlays, \$20,112,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$21,156,000,000.
    - (B) Outlays, \$20,436,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$21,402,000,000.
    - (B) Outlays, \$20,863,000,000.
- (7) Commerce and Housing Credit (370):
  - Fiscal year 2007:
    - (A) New budget authority, \$5,515,000,000.
    - (B) Outlays, -\$3,522,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$9,158,000,000.
    - (B) Outlays, \$1,985,000,000.

- Fiscal year 2009:
  - (A) New budget authority, \$9,973,000,000.
  - (B) Outlays, \$996,000,000.
- Fiscal year 2010:
  - (A) New budget authority, \$13,775,000,000.
  - (B) Outlays, \$3,460,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$8,822,000,000.
  - (B) Outlays, \$1,931,000,000.
- Fiscal year 2012:
  - (A) New budget authority, \$8,822,000,000.
  - (B) Outlays, \$1,097,000,000.
- (8) Transportation (400):
  - Fiscal year 2007:
    - (A) New budget authority, \$81,282,000,000.
    - (B) Outlays, \$74,739,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$82,657,000,000.
    - (B) Outlays, \$80,802,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$76,343,000,000.
    - (B) Outlays, \$83,948,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$77,261,000,000.
    - (B) Outlays, \$86,127,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$78,289,000,000.
    - (B) Outlays, \$87,018,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$79,169,000,000.
    - (B) Outlays, \$88,761,000,000.
- (9) Community and Regional Development (450):
  - Fiscal year 2007:
    - (A) New budget authority, \$15,717,000,000.
    - (B) Outlays, \$28,281,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$15,032,000,000.
    - (B) Outlays, \$22,017,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$13,928,000,000.
    - (B) Outlays, \$20,474,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$14,129,000,000.
    - (B) Outlays, \$19,220,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$14,328,000,000.
    - (B) Outlays, \$17,649,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$14,528,000,000.
    - (B) Outlays, \$15,131,000,000.
- (10) Education, Training, Employment, and Social Services (500):
  - Fiscal year 2007:
    - (A) New budget authority, \$92,780,000,000.

- (B) Outlays, \$92,224,000,000.
- Fiscal year 2008:
  - (A) New budget authority, \$92,461,000,000.
  - (B) Outlays, \$91,119,000,000.
- Fiscal year 2009:
  - (A) New budget authority, \$96,810,000,000.
  - (B) Outlays, \$93,978,000,000.
- Fiscal year 2010:
  - (A) New budget authority, \$98,333,000,000.
  - (B) Outlays, \$96,041,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$98,409,000,000.
  - (B) Outlays, \$97,276,000,000.
- Fiscal year 2012:
  - (A) New budget authority, \$98,654,000,000.
  - (B) Outlays, \$96,909,000,000.
- (11) Health (550):
  - Fiscal year 2007:
    - (A) New budget authority, \$267,892,000,000.
    - (B) Outlays, \$268,197,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$286,767,000,000.
    - (B) Outlays, \$286,261,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$307,842,000,000.
    - (B) Outlays, \$305,984,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$325,885,000,000.
    - (B) Outlays, \$325,716,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$347,621,000,000.
    - (B) Outlays, \$346,553,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$370,780,000,000.
    - (B) Outlays, \$369,739,000,000.
- (12) Medicare (570):
  - Fiscal year 2007:
    - (A) New budget authority, \$365,152,000,000.
    - (B) Outlays, \$370,180,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$389,586,000,000.
    - (B) Outlays, \$389,696,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$416,731,000,000.
    - (B) Outlays, \$416,382,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$442,369,000,000.
    - (B) Outlays, \$442,589,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$489,100,000,000.
    - (B) Outlays, \$489,109,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$468,828,000,000.
    - (B) Outlays, \$486,440,000,000.

- (13) Income Security (600):
  - Fiscal year 2007:
    - (A) New budget authority, \$360,365,000,000.
    - (B) Outlays, \$364,204,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$379,927,000,000.
    - (B) Outlays, \$383,546,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$391,073,000,000.
    - (B) Outlays, \$393,458,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$401,429,000,000.
    - (B) Outlays, \$402,422,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$417,016,000,000.
    - (B) Outlays, \$416,907,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$402,874,000,000.
    - (B) Outlays, \$402,130,000,000.
- (14) Social Security (650):
  - Fiscal year 2007:
    - (A) New budget authority, \$19,089,000,000.
    - (B) Outlays, \$19,089,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$19,644,000,000.
    - (B) Outlays, \$19,644,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$21,518,000,000.
    - (B) Outlays, \$21,518,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$23,701,000,000.
    - (B) Outlays, \$23,701,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$27,009,000,000.
    - (B) Outlays, \$27,009,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, \$29,898,000,000.
    - (B) Outlays, \$29,898,000,000.
- (15) Veterans Benefits and Services (700):
  - Fiscal year 2007:
    - (A) New budget authority, \$73,896,000,000.
    - (B) Outlays, \$72,342,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$85,192,000,000.
    - (B) Outlays, \$82,772,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$87,787,000,000.
    - (B) Outlays, \$87,681,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$90,414,000,000.
    - (B) Outlays, \$89,710,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$96,033,000,000.
    - (B) Outlays, \$95,410,000,000.

- Fiscal year 2012:  
(A) New budget authority, \$93,325,000,000.  
(B) Outlays, \$92,599,000,000.
- (16) Administration of Justice (750):  
Fiscal year 2007:  
(A) New budget authority, \$45,504,000,000.  
(B) Outlays, \$44,659,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$46,940,000,000.  
(B) Outlays, \$46,155,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$46,111,000,000.  
(B) Outlays, \$47,311,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$47,168,000,000.  
(B) Outlays, \$47,504,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$48,379,000,000.  
(B) Outlays, \$48,164,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$49,610,000,000.  
(B) Outlays, \$49,207,000,000.
- (17) General Government (800):  
Fiscal year 2007:  
(A) New budget authority, \$18,193,000,000.  
(B) Outlays, \$18,574,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$18,614,000,000.  
(B) Outlays, \$18,998,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$19,264,000,000.  
(B) Outlays, \$19,328,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$19,886,000,000.  
(B) Outlays, \$19,765,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$20,647,000,000.  
(B) Outlays, \$20,370,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$21,359,000,000.  
(B) Outlays, \$21,193,000,000.
- (18) Net Interest (900):  
Fiscal year 2007:  
(A) New budget authority, \$344,431,000,000.  
(B) Outlays, \$344,431,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$369,454,000,000.  
(B) Outlays, \$369,454,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$389,194,000,000.  
(B) Outlays, \$389,194,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$413,140,000,000.  
(B) Outlays, \$413,140,000,000.



- Fiscal year 2011:
  - (A) New budget authority, \$431,192,000,000.
  - (B) Outlays, \$431,192,000,000.
- Fiscal year 2012:
  - (A) New budget authority, \$442,528,000,000.
  - (B) Outlays, \$442,528,000,000.
- (19) Allowances (920):
  - Fiscal year 2007:
    - (A) New budget authority, \$785,000,000.
    - (B) Outlays, \$755,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$0.
    - (B) Outlays, \$30,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$0.
    - (B) Outlays, \$0.
  - Fiscal year 2010:
    - (A) New budget authority, \$0.
    - (B) Outlays, \$0.
  - Fiscal year 2011:
    - (A) New budget authority, \$0.
    - (B) Outlays, \$0.
  - Fiscal year 2012:
    - (A) New budget authority, \$0.
    - (B) Outlays, \$0.
- (20) Undistributed Offsetting Receipts (950):
  - Fiscal year 2007:
    - (A) New budget authority, -\$69,714,000,000.
    - (B) Outlays, -\$69,714,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, -\$70,979,000,000.
    - (B) Outlays, -\$70,979,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, -\$66,560,000,000.
    - (B) Outlays, -\$66,569,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, -\$66,933,000,000.
    - (B) Outlays, -\$66,933,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, -\$69,575,000,000.
    - (B) Outlays, -\$69,595,000,000.
  - Fiscal year 2012:
    - (A) New budget authority, -\$71,857,000,000.
    - (B) Outlays, -\$71,860,000,000.
- (21) Overseas Deployments and Other Activities (970):
  - Fiscal year 2007:
    - (A) New budget authority, \$124,310,000,000.
    - (B) Outlays, \$31,506,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$145,163,000,000.
    - (B) Outlays, \$114,914,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$50,000,000,000.
    - (B) Outlays, \$109,425,000,000.

- Fiscal year 2010:  
 (A) New budget authority, \$0.  
 (B) Outlays, \$42,324,000,000.
- Fiscal year 2011:  
 (A) New budget authority, \$0.  
 (B) Outlays, \$13,561,000,000.
- Fiscal year 2012:  
 (A) New budget authority, \$0.  
 (B) Outlays, \$4,485,000,000.

## **TITLE II—RESERVE FUNDS**

### **SEC. 201. RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.**

In the House, with respect to a bill or a joint resolution (or an amendment to or a conference report submitted on such a bill or joint resolution) reported from the Committee on Energy and Commerce that increases new budget authority that would result in no more than \$50,000,000 in outlays for fiscal years 2008 through 2012 for expanding coverage and improving children's health through the State Children's Health Insurance Program (SCHIP) under title XXI of the Social Security Act and the program under title XIX of such Act (commonly known as medicaid), the chairman of the Committee on Budget may make the appropriate adjustments in allocations of the Committee on Energy and Commerce, and in budget authority and outlays of other committees as may be necessary pursuant to such adjustment for the Committee on Energy and Commerce, and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

### **SEC. 202. RESERVE FUND FOR REFORM OF THE ALTERNATIVE MINIMUM TAX.**

In the House, with respect to any bill or joint resolution (or an amendment thereto or conference report thereon) that provides for reform of the Internal Revenue Code of 1986 by reducing the tax burden of the alternative minimum tax on middle-income families, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bills or joint resolutions (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such bills or joint resolutions is filed, such bills or joint resolutions are placed on any calendar, or an

amendment is offered or considered as adopted or a conference report is submitted on such bills or joint resolutions.

**SEC. 203. RESERVE FUND TO PROVIDE FOR MIDDLE-INCOME TAX RELIEF AND ECONOMIC EQUITY.**

In the House, with respect to any bill or joint resolution (or an amendment thereto or conference report thereon) that provides for tax relief for middle-income families and taxpayers and enhanced economic equity, such as extension of the child tax credit, extension of marriage penalty relief, extension of the 10 percent individual income tax bracket, modification of the Alternative Minimum Tax, elimination of estate taxes on all but a minute fraction of estates by reforming and substantially increasing the unified credit, extension of the research and experimentation tax credit, extension of the deduction for State and local sales taxes, and a tax credit for school construction bonds, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bills or joint resolutions (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such bills or joint resolutions are filed, such bills or joint resolutions are placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such bills or joint resolutions.

**SEC. 204. RESERVE FUND FOR AGRICULTURE.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that provides for the reauthorization of the programs of the Food Security and Rural Investment Act of 2002 or prior Acts, authorizes similar programs, or both, that increases new budget authority by no more than \$20,000,000,000 for the period of fiscal years 2007 through 2012, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 205. RESERVE FUND FOR HIGHER EDUCATION.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that makes college more affordable through reforms to the Higher Education Act of 1965, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such

bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 206. RESERVE FUND FOR IMPROVEMENTS IN MEDICARE.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that improves the medicare program for beneficiaries and protects access to care, through measures such as increasing the reimbursement rate for physicians while protecting beneficiaries from associated premium increases and making improvements to the prescription drug program under part D, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 207. RESERVE FUND FOR CREATING LONG-TERM ENERGY ALTERNATIVES.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that fulfills the purposes of section 301(a) of H.R. 6, the Clean Energy Act of 2007:

(1) The chairman of the Committee on Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments made under this paragraph may be made whenever a rule is filed for a bill or joint resolution that attributes the offsets included in H.R. 6 to the bill or joint resolution.

(2) The chairman of the Committee on the Budget may make appropriate adjustments to the allocations provided for under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations to the extent a bill or joint resolution in the form placed before the House by the Committee on Rules provides budget authority for purposes set forth in section 301(a) of H.R. 6 in excess of the amounts provided for those purposes in fiscal year 2007. Any adjustments made under this paragraph shall not include revenues attributable to changes in the Internal Revenue Code of 1986 and shall not

exceed the receipts estimated by the Congressional Budget Office that are attributable to H.R. 6 for the year in which the adjustments are made.

**SEC. 208. RESERVE FUND FOR AFFORDABLE HOUSING.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that provides for an affordable housing fund, offset by reforming the regulation of certain government-sponsored enterprises, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 209. RESERVE FUND FOR EQUITABLE BENEFITS FOR FILIPINO VETERANS OF WORLD WAR II.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that would provide for or increase benefits to Filipino veterans of World War II, their survivors and dependents, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 210. RESERVE FUND FOR SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT REAUTHORIZATION.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that provides for the reauthorization of the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint

resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 211. RESERVE FUND FOR RECEIPTS FROM THE BONNEVILLE POWER ADMINISTRATION.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that prohibits the Bonneville Power Administration from making early payments on its Federal Bond Debt to the Department of the Treasury, the chairman of the Committee on Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

**SEC. 212. RESERVE FUND FOR TRANSITIONAL MEDICAL ASSISTANCE.**

In the House, with respect to a bill or a joint resolution (or an amendment thereto or conference report thereon) that extends the Transitional Medical Assistance program, included in title 19 of the Social Security Act, through fiscal year 2008, the chairman of the Committee on Budget may make the appropriate adjustments in allocations of a committee or committees and budgetary aggregates, but only to the extent that such bill or joint resolution (as amended, in the case of an amendment) in the form placed before the House by the Committee on Rules would not increase the deficit or decrease the surplus for the period of fiscal years 2007 through 2012 and the period of fiscal years 2007 through 2017. The adjustments may be made whenever a rule providing for consideration of such a bill or joint resolution is filed, such a bill or joint resolution is placed on any calendar, or an amendment is offered or considered as adopted or a conference report is submitted on such a bill or joint resolution.

## **TITLE III—BUDGET ENFORCEMENT**

**SEC. 301. PROGRAM INTEGRITY INITIATIVES.**

(a) **ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—**

(1) **CONTINUING DISABILITY REVIEWS AND SUPPLEMENTAL SECURITY INCOME REDETERMINATIONS.—**If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$264,000,000 for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, and provides an additional appropriation of up to \$213,000,000 and the amount is designated for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, then the allocation to the House Committee on Ap-

propriations shall be increased by the amount of the additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(2) INTERNAL REVENUE SERVICE TAX COMPLIANCE.—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates up to \$6,822,000,000 to the Internal Revenue Service and the amount is designated to improve compliance with the provisions of the Internal Revenue Code of 1986 and provides an additional appropriation of up to \$406,000,000, and the amount is designated to improve compliance with the provisions of the Internal Revenue Code of 1986, then the allocation to the House Committee on Appropriations shall be increased by the amount of the additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(3) HEALTHCARE FRAUD AND ABUSE CONTROL PROGRAM.—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates up to \$183,000,000 and the amount is designated to the healthcare fraud and abuse control program at the Department of Health and Human Services, then the allocation to the House Committee on Appropriations shall be increased by the amount of additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(4) UNEMPLOYMENT INSURANCE IMPROPER PAYMENTS.—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$10,000,000 for unemployment insurance improper payment reviews for the Department of Labor, and provides an additional appropriation of up to \$40,000,000 and the amount is designated for unemployment insurance improper payment reviews for the Department of Labor, then the allocation to the House Committee on Appropriations shall be increased by the amount of the additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(b) PROCEDURE FOR ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, or the offering of an amendment thereto or the submission of a conference report thereon, the chairman of the Committee on the Budget shall make the adjustments set forth in subparagraph (B) for the incremental new budget authority in that measure (if that measure meets the requirements set forth in paragraph (2)) and the outlays flowing from that budget authority.

(B) MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—

(i) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

(ii) the budgetary aggregates as set forth in this resolution.

(c) **OVERSIGHT OF GOVERNMENT PERFORMANCE.**—In the House, all committees are directed to review programs within their jurisdiction to root out waste, fraud, and abuse in program spending, giving particular scrutiny to issues raised by Government Accountability Office reports. Based on these oversight efforts and committee performance reviews of programs within their jurisdiction, committees are directed to include recommendations for improved governmental performance in their annual views and estimates reports required under section 301(d) of the Congressional Budget Act of 1974 to the Committee on the Budget.

**SEC. 302. ADVANCE APPROPRIATIONS.**

(a) **IN GENERAL.**—In the House, except as provided in subsection (b), a bill or joint resolution making a general appropriation or continuing appropriation, or an amendment thereto may not provide for advance appropriations.

(b) **ADVANCE APPROPRIATION.**—In the House, an advance appropriation may be provided for fiscal year 2009 or 2010 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$25,558,000,000 in new budget authority.

(c) **DEFINITION.**—In this section, the term “advance appropriation” means any new discretionary budget authority provided in a bill or joint resolution making general appropriations or any new discretionary budget authority provided in a bill or joint resolution continuing appropriations for fiscal year 2008 that first becomes available for any fiscal year after 2008.

**SEC. 303. OVERSEAS DEPLOYMENTS AND EMERGENCY NEEDS.**

(a) **OVERSEAS DEPLOYMENTS AND RELATED ACTIVITIES.**—In the House, any bill or joint resolution or amendment offered or considered as adopted or a conference report thereon, that makes appropriations for fiscal year 2008 or fiscal year 2009 for overseas deployments and related activities, and such amounts are so designated pursuant to this subsection, then new budget authority, outlays or receipts resulting therefrom shall not count for the purposes of titles III and IV of the Congressional Budget Act of 1974.

(b) **EMERGENCY NEEDS.**—In the House, any bill or joint resolution, or amendment offered or considered as adopted or conference report thereon, that makes appropriations for nondefense discretionary amounts, and such amounts are designated as necessary to meet emergency needs, then the new budget authority, outlays, or receipts resulting therefrom shall not be counted for the purposes of titles III and IV of the Congressional Budget Act of 1974.

**SEC. 304. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.**

(a) **APPLICATION.**—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

- (1) apply while that measure is under consideration;
- (2) take effect upon the enactment of that measure; and
- (3) be published in the Congressional Record as soon as practicable.



(b) **EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.**—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) **COMMITTEE ON THE BUDGET DETERMINATIONS.**—For purposes of this resolution, the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget.

**SEC. 305. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.**

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

**SEC. 306. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.**

(a) **IN GENERAL.**—In the House and the Senate, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974 and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) **SPECIAL RULE.**—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

**SEC. 307. EXERCISE OF RULEMAKING POWERS.**

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the House and as such they shall be considered as part of the rules of the House, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

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

## **TITLE IV—POLICY**

**SEC. 401. POLICY ON MIDDLE-INCOME TAX RELIEF.**

It is the policy of this resolution to minimize fiscal burdens on middle-income families and their children and grandchildren. It is the policy of this resolution to provide immediate relief for the tens of millions of middle-income households who would otherwise be subject to the Alternative Minimum Tax (AMT) under current law in the context of permanent, revenue-neutral AMT reform. Further-

more, it is the policy of this resolution to support extension of middle-income tax relief and enhanced economic equity through policies such as—

- (1) extension of the child tax credit;
  - (2) extension of marriage penalty relief;
  - (3) extension of the 10 percent individual income tax bracket;
  - (4) elimination of estate taxes on all but a minute fraction of estates by reforming and substantially increasing the unified tax credit;
  - (5) extension of the research and experimentation tax credit;
  - (6) extension of the deduction for State and local sales taxes;
  - (7) extension of the deduction for small business expensing;
- and

(8) enactment of a tax credit for school construction bonds. This resolution assumes the cost of enacting such policies is offset by reforms within the Internal Revenue Code of 1986 that promote a fairer distribution of taxes across families and generations, economic efficiency, higher rates of tax compliance to close the “tax gap”, and reduced taxpayer burdens through tax simplification.

**SEC. 402. POLICY ON DEFENSE PRIORITIES.**

It is the policy of this resolution that—

- (1) recommendations of the National Commission on Terrorist Attacks Upon the United States (commonly referred to as the 9/11 Commission) to fund cooperative threat reduction and nuclear nonproliferation programs at a level commensurate with the risk is a high priority, and the President’s budget should have requested sufficient funding for these programs;
- (2) ensuring that the TRICARE fees for military retirees under the age of 65 remain at current levels;
- (3) funds be provided for increasing pay to ensure retention of experienced personnel and for improving military benefits in general;
- (4) the Missile Defense Agency should be funded at an adequate but lower level and the elimination of space-based interceptor development will ensure a more prudent acquisition strategy, yet still support a robust ballistic missile defense program;
- (5) satellite research, development, and procurement be funded at a level below the amount requested for fiscal year 2008, which amounts to a 26 percent increase above the current level, but at a level sufficient to develop new satellite technologies while ensuring a more prudent acquisition strategy;
- (6) sufficient resources be provided to implement Government Accountability Office (GAO) recommendations, such as improving financial management and contracting practices at the Department of Defense (DOD), and that substantial savings should result from the identification of billions of dollars of obligations and disbursements and Government overcharges for which the Department of Defense cannot account;
- (7) that the Department of Defense should do a more careful job of addressing the 1,378 Government Accountability Office recommendations made to the Department of Defense and its

components over the last six years that have yet to be implemented, which could produce billions of dollars in savings; and

(8) accruing all savings from the actions recommended in paragraphs (4) through (7) should be used to fund higher priorities within Function 050 (Defense), and especially those high priorities identified in paragraphs (1) through (3) and to help fund recommendations of the bipartisan “Walter Reed Commission” (the President’s Commission on Care for America’s Returning Wounded Warriors) and other United States Government investigations into military healthcare facilities and services.

**SEC. 403. POLICY ON COLLEGE AFFORDABILITY.**

It is the policy of this resolution that the reconciliation directive to the Committee on Education and Labor shall not be construed to reduce any assistance that makes college more affordable for students, including but not limited to assistance to student aid programs run by nonprofit state agencies.

## **TITLE V—SENSE OF THE HOUSE**

**SEC. 501. SENSE OF THE HOUSE ON SERVICEMEMBERS’ AND VETERANS’ HEALTH CARE AND OTHER PRIORITIES.**

It is the sense of the House that—

(1) the House supports excellent health care for current and former members of the United States Armed Services, who have served well and honorably and have made significant sacrifices for this Nation;

(2) this resolution provides \$43,055,000,000 in discretionary budget authority for 2008 for Function 700 (Veterans Benefits and Services), including veterans’ health care, which is \$6,598,000,000 more than the 2007 level, \$5,404,000,000 more than the Congressional Budget Office’s baseline level for 2008, and \$3,506,000,000 more than the President’s budget for 2008;

(3) this resolution provides funding to implement, in part, recommendations of the bi-partisan “Walter Reed Commission” (the President’s Commission on Care for America’s Returning Wounded Warriors) and other United States Government investigations into military and veterans health care facilities and services;

(4) this resolution assumes the rejection of the enrollment fees and co-payment increases in the President’s budget;

(5) this resolution provides additional funding above the President’s inadequate budget levels for the Department of Veterans Affairs to research and treat veterans’ mental health, post-traumatic stress disorder, and traumatic brain and spinal cord injuries; and

(6) this resolution provides additional funding above the President’s inadequate budget levels for the Department of Veterans Affairs to improve the speed and accuracy of its processing of disability compensation claims, including funding to hire additional personnel above the President’s requested level.

**SEC. 502. SENSE OF THE HOUSE ON THE INNOVATION AGENDA: A COMMITMENT TO COMPETITIVENESS TO KEEP AMERICA #1.**

(a) It is the sense of the House to provide sufficient funding that our Nation may continue to be the world leader in education, innovation and economic growth. This resolution provides \$450,000,000 above the President's requested level for 2008, and additional amounts in subsequent years in Function 250 (General Science, Space and Technology) and Function 270 (Energy). Additional increases for scientific research and education are included in Function 500 (Education, Employment, Training, and Social Services), Function 550 (Health), Function 300 (Environment and Natural Resources), Function 350 (Agriculture), Function 400 (Transportation), and Function 370 (Commerce and Housing Credit), all of which receive more funding than the President requested.

(b) America's greatest resource for innovation resides within classrooms across the country. The increased funding provided in this resolution will support important initiatives to educate 100,000 new scientists, engineers, and mathematicians, and place highly qualified teachers in math and science K–12 classrooms.

(c) Independent scientific research provides the foundation for innovation and future technologies. This resolution will put us on the path toward doubling funding for the National Science Foundation, basic research in the physical sciences across all agencies, and collaborative research partnerships; and toward achieving energy independence through the development of clean and sustainable alternative energy technologies.

**SEC. 503. SENSE OF THE HOUSE ON HOMELAND SECURITY.**

It is the sense of the House that—

(1) this resolution assumes additional homeland security funding above the President's requested level for 2008 and every subsequent year;

(2) this resolution assumes funding above the President's requested level for 2008, and additional amounts in subsequent years, in the four budget functions: Function 400 (Transportation), Function 450 (Community and Regional Development), Function 550 (Health), and Function 750 (Administration of Justice) that fund most nondefense homeland security activities; and

(3) the homeland security funding provided in this resolution will help to strengthen the security of our Nation's transportation system, particularly our ports where significant security shortfalls still exist and foreign ports, by expanding efforts to identify and scan all high-risk United States-bound cargo, equip first responders, strengthen border patrol, and increase the preparedness of the public health system.

**SEC. 504. SENSE OF THE HOUSE REGARDING THE ONGOING NEED TO RESPOND TO HURRICANES KATRINA AND RITA.**

It is the sense of the House that:

(1) Critical needs in the Gulf Coast region should be addressed without further delay. The budget resolution creates a reserve fund that would allow for affordable housing that may be used to focus on areas devastated by Hurricanes Katrina and Rita, as well as new funding for additional recovery priorities.

(2) Additional oversight and investigation is needed to ensure that recovery efforts are on track, develop legislation to reform the contracting process, and better prepare for future disasters. Those efforts should be made in close consultation with residents of affected areas. The budget resolution provides additional 2007 funding for the Federal Emergency Management Agency, some of which may be used for this purpose.

**SEC. 505. SENSE OF THE HOUSE REGARDING LONG-TERM SUSTAINABILITY OF ENTITLEMENTS.**

(a) **FINDINGS.**—The House finds the following:

(1) The aging of the United States population is going to put unprecedented pressure on the Nation's retirement and health care systems.

(2) The long-term strength of social security would be improved through a fiscally responsible policy of reducing the deficit and paying down the debt that has accumulated since 2001, thus reducing debt service payments and freeing up billions of dollars that can be dedicated to meeting social security's obligations.

(3) A policy of reducing and eventually eliminating the deficit and paying down the debt is a key factor in improving the long-term strength of the economy as a whole, because a lower debt burden frees up resources for productive investments that will result in higher economic growth, provide a higher standard of living for future generations, and enhance the Nation's ability to meet its commitments to its senior citizens.

(4) The most significant factor affecting the Nation's entitlement programs is the rapid increase in health care costs. The projected increasing costs of medicare and medicaid are not unique to these programs but rather are part of a pattern of rising costs for the health sector as a whole.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House that the growing cost of entitlements should be addressed in a way that is fiscally responsible and promotes economic growth, that addresses the causes of cost growth in the broader health care system, and that protects beneficiaries without leaving a legacy of debt to future generations.

**SEC. 506. SENSE OF THE HOUSE REGARDING THE NEED TO MAINTAIN AND BUILD UPON EFFORTS TO FIGHT HUNGER.**

(a) **FINDINGS.**—The House finds the following:

(1) More than 35 million individuals (12.4 million of them children) are food insecure, uncertain of having, or unable to acquire enough food. 10.8 million Americans are hungry because of lack of food.

(2) Despite the critical contributions of the Department of Agriculture nutrition programs and particularly the food stamp program that significantly reduced payment error rates while increasing enrollment to partially mitigate the impact of recent increases in the poverty rate, significant need remains.

(3) Nearly 25 million people, including nine million children and three million seniors, sought emergency food assistance from food pantries, soup kitchens, shelters, and local charities last year.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House that the Department of Agriculture programs that help fight hunger should be maintained and that the House should seize opportunities to enhance those programs to reach people in need and to fight hunger.

**SEC. 507. SENSE OF THE HOUSE REGARDING AFFORDABLE HEALTH COVERAGE.**

(a) **FINDINGS.**—The House finds the following:

(1) More than 46 million Americans, including nine million children, lack health insurance. People without health insurance are more likely to experience problems getting medical care and to be hospitalized for avoidable health problems.

(2) Most Americans receive health coverage through their employers. A major issue facing all employers is the rising cost of health insurance. Small businesses, which have generated most of the new jobs annually over the last decade, have an especially difficult time affording health coverage, due to higher administrative costs and fewer people over whom to spread the risk of catastrophic costs. Because it is especially costly for small businesses to provide health coverage, their employees make up a large proportion of the nation's uninsured individuals.

(b) **SENSE OF THE HOUSE.**—It is the sense of the House that legislation consistent with the pay-as-you-go principle should be adopted that makes health insurance more affordable and accessible, with attention to the special needs of small businesses, and that lowers costs and improves the quality of health care by encouraging integration of health information technology tools into the practice of medicine, and promoting improvements in disease management and disease prevention.

**SEC. 508. SENSE OF THE HOUSE REGARDING EXTENSION OF THE STATUTORY PAY-AS-YOU-GO RULE.**

It is the sense of the House that in order to reduce the deficit Congress should extend PAYGO in its original form in the Budget Enforcement Act of 1990.

**SEC. 509. SENSE OF THE HOUSE ON LONG-TERM BUDGETING.**

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

**SEC. 510. SENSE OF THE HOUSE REGARDING PAY PARITY.**

It is the sense of the House that rates of compensation for civilian employees of the United States should be adjusted at the same time, and in the same proportion, as are rates of compensation for members of the uniformed services.

**SEC. 511. SENSE OF THE HOUSE REGARDING WASTE, FRAUD, AND ABUSE.**

It is the sense of the House that all committees should examine programs within their jurisdiction to identify wasteful and fraudulent spending. To this end, section 301 of this resolution includes cap adjustments to provide appropriations for three programs that accounted for a significant share of improper payments reported by

Federal agencies in 2006: Social Security Administration Continuing Disability Reviews, the Medicare/Medicaid Health Care Fraud and Abuse Control Program, and Unemployment Insurance. Section 301 also includes a cap adjustment for the Internal Revenue Services for tax compliance efforts to close the \$300,000,000,000 tax gap. In addition, the resolution's deficit-neutral reserve funds require authorizing committees to cut lower priority and wasteful spending to accommodate new high-priority entitlement benefits. Finally, section 301 of the resolution directs all committees to review the performance of programs within their jurisdiction and report recommendations annually to the Committee on the Budget as part of the views and estimates process required by section 301(d) of the Congressional Budget Act.

**SEC. 512. SENSE OF THE HOUSE REGARDING THE IMPORTANCE OF CHILD SUPPORT ENFORCEMENT.**

It is the sense of the House that—

(1) additional legislative action is needed to ensure that States have the necessary resources to collect all child support that is owed to families and to allow them to pass 100 percent of support on to families without financial penalty; and

(2) when 100 percent of child support payments are passed to the child, rather than administrative expenses, program integrity is improved and child support participation increases.

**SEC. 513. SENSE OF THE HOUSE ON STATE VETERANS CEMETERIES.**

It is the sense of the House that the Federal Government should pay the plot allowance for the interment in a State veterans cemetery of any spouse or eligible child of a veteran, consistent with the pay-as-you-go principle.

## **TITLE VI—RECONCILIATION**

**SEC. 601. RECONCILIATION.**

(a) **INSTRUCTIONS.**—The House Committee on Education and Labor shall report changes in laws to reduce the deficit by \$75,000,000 for the period of fiscal years 2007 through 2012.

(b) **MANDATORY SAVINGS.**—Not later than September 10, 2007, the House Committee on Education and Labor shall submit its recommendations to the House of Representatives.

(c) **SUBMISSION OF REVISED ALLOCATIONS.**—Upon the submission to the House of a reconciliation bill or conference report thereon, that complies with this reconciliation instruction, the chairman of the Committee on the Budget may file with the House appropriately revised allocations and budgetary aggregates. Such revisions shall be considered to be the allocations and aggregates established by the concurrent resolution on the budget pursuant to section 301 of the Congressional Budget Act of 1974.