

Calvert  
Camp  
Cannon  
Cantor  
Capito  
Capps  
Capuano  
Cardin  
Cardoza  
Carson (IN)  
Carson (OK)  
Carter  
Case  
Castle  
Chandler  
Chocola  
Clyburn  
Coble  
Cole  
Conyers  
Cooper  
Costello  
Cox  
Cramer  
Crane  
Crenshaw  
Crowley  
Cubin  
Cummings  
Cunningham  
Davis (AL)  
Davis (CA)  
Davis (FL)  
Davis (IL)  
Davis (TN)  
Davis, Tom  
DeFazio  
DeGette  
Delahunt  
DeLauro  
DeLay  
DeMint  
Deutsch  
Diaz-Balart, L.  
Diaz-Balart, M.  
Dicks  
Dingell  
Doggett  
Dooley (CA)  
Doolittle  
Doyle  
Dreier  
Dunn  
Edwards  
Ehlers  
Emanuel  
Emerson  
Engel  
English  
Eshoo  
Etheridge  
Evans  
Farr  
Fattah  
Ferguson  
Filner  
Foley  
Ford  
Fossella  
Frank (MA)  
Frelinghuysen  
Frost  
Gallegly  
Garrett (NJ)  
Gephardt  
Gerlach  
Gibbons  
Gilchrest  
Gillmor  
Gingrey  
Gonzalez  
Gordon  
Goss  
Granger  
Graves  
Green (TX)  
Green (WI)  
Greenwood  
Grijalva  
Hall  
Harman  
Harris  
Hart  
Hastings (FL)  
Hastings (WA)  
Hefley  
Hensarling  
Herger  
Hill

Hinche  
Hinojosa  
Hobson  
Holden  
Holt  
Honda  
Hooley (OR)  
Houghton  
Hoyer  
Hulshof  
Hunter  
Hyde  
Inslee  
Israel  
Issa  
Istook  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
John  
Johnson (CT)  
Johnson (IL)  
Johnson, E. B.  
Johnson, Sam  
Jones (OH)  
Kanjorski  
Kaptur  
Keller  
Kelly  
Kennedy (MN)  
Kennedy (RI)  
Kildee  
Kilpatrick  
Kind  
King (NY)  
Kingston  
Kirk  
Klecza  
Kline  
Knollenberg  
Kolbe  
Kucinich  
LaHood  
Lampson  
Langevin  
Lantos  
Larsen (WA)  
Larson (CT)  
Latham  
LaTourette  
Leach  
Lee  
Levin  
Lewis (CA)  
Lewis (GA)  
Linder  
Lipinski  
LoBiondo  
Lofgren  
Lowey  
Lucas (KY)  
Lucas (OK)  
Lynch  
Majette  
Maloney  
Markey  
Marshall  
Matheson  
Matsui  
McCarthy (MO)  
McCarthy (NY)  
McCollum  
McCotter  
McCrery  
McDermott  
McGovern  
McHugh  
McIntyre  
McKeon  
McNulty  
Meehan  
Meek (FL)  
Meeks (NY)  
Menendez  
Mica  
Michaud  
Millender  
McDonald  
Miller (MI)  
Miller (NC)  
Miller, Gary  
Miller, George  
Mollohan  
Moore  
Moran (VA)  
Murphy  
Murtha  
Myrick

Nadler  
Napolitano  
Neal (MA)  
Nethercutt  
Neugebauer  
Ney  
Northup  
Nunes  
Nussle  
Oberstar  
Obey  
Oliver  
Ortiz  
Osborne  
Ose  
Owens  
Oxley  
Pallone  
Pascrell  
Pastor  
Payne  
Pelosi  
Peterson (MN)  
Peterson (PA)  
Petri  
Pickering  
Pitts  
Pombo  
Pomeroy  
Porter  
Portman  
Price (NC)  
Pryce (OH)  
Putnam  
Quinn  
Radanovich  
Rahall  
Rangel  
Regula  
Rehberg  
Renzi  
Reyes  
Reynolds  
Rodriguez  
Rogers (AL)  
Rogers (MI)  
Rohrabacher  
Ros-Lehtinen  
Ross  
Rothman  
Roybal-Allard  
Royce  
Ruppersberger  
Rush  
Ryan (OH)  
Ryan (WI)  
Ryun (KS)  
Sabo  
Sanchez, Linda  
T.  
Sanchez, Loretta  
Sanders  
Sandlin  
Saxton  
Schakowsky  
Schiff  
Schrock  
Scott (GA)  
Scott (VA)  
Serrano  
Sessions  
Shaw  
Shays  
Sherman  
Shimkus  
Simmons  
Simpson  
Skelton  
Slaughter  
Smith (NJ)  
Smith (TX)  
Smith (WA)  
Snyder  
Solis  
Souder  
Spratt  
Stark  
Stearns  
Stenholm  
Strickland  
Stupak  
Sweeney  
Tanner  
Tauscher  
Terry  
Thomas  
Thompson (CA)  
Thompson (MS)  
Thornberry

Tiahrt  
Tiberi  
Tierney  
Towns  
Turner (OH)  
Turner (TX)  
Udall (CO)  
Udall (NM)  
Upton  
Van Hollen  
Velázquez  
Visclosky

Vitter  
Walden (OR)  
Walsh  
Wamp  
Waters  
Watson  
Watt  
Waxman  
Weiner  
Weldon (FL)  
Weldon (PA)  
Weller

Wexler  
Whitfield  
Wicker  
Wilson (NM)  
Wilson (SC)  
Wolf  
Woolsey  
Wu  
Wynn  
Young (AK)  
Young (FL)

## NAYS—48

Bartlett (MD)  
Bishop (UT)  
Blackburn  
Brown-Waite,  
Ginny  
Burgess  
Chabot  
Collins  
Culberson  
Davis, Jo Ann  
Deal (GA)  
Duncan  
Everett  
Feeney  
Flake  
Forbes  
Franks (AZ)

Goode  
Goodlatte  
Gutknecht  
Hayes  
Hayworth  
Hoekstra  
Hostettler  
Isakson  
Jenkins  
Jones (NC)  
King (IA)  
Lewis (KY)  
Miller (FL)  
Moran (KS)  
Musgrave  
Norwood  
Otter

Paul  
Pearce  
Platts  
Ramstad  
Rogers (KY)  
Sensenbrenner  
Shadegg  
Sherwood  
Shuster  
Smith (MI)  
Sullivan  
Tancredo  
Taylor (MS)  
Taylor (NC)  
Toomey

## NOT VOTING—8

Abercrombie  
Clay  
Gutierrez

Hoeffel  
Manzullo  
McInnis

Pence  
Tauzin

## □ 1150

Mr. DUNCAN changed his vote from “yea” to “nay.”

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

# DOMINICAN REPUBLIC FREE TRADE AGREEMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108-178)

The SPEAKER pro tempore (Mr. LAHOOD) laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Ways and Means and ordered to be printed:

## To the Congress of the United States:

Consistent with section 2105(a)(1)(A) of the Trade Act of 2002 (Public Law 107-210; the “Trade Act”), I am pleased to notify the Congress of my intent to enter into a free trade agreement (FTA) with the Government of the Dominican Republic.

This agreement will create new opportunities by eliminating barriers to trade with the Dominican Republic, the largest economy in the Caribbean Basin. At the same time, it will help bring to the Dominican Republic expanded economic freedom and opportunity, and it will provide an opportunity for regional stability, democracy, and economic development through closer ties of commerce, investment, and friendship.

Consistent with the Trade Act, I am sending this notification at least 90 days in advance of entering into an

agreement with the Dominican Republic. My Administration looks forward to working with the Congress in developing appropriate legislation to approve and implement this free trade agreement.

GEORGE W. BUSH.

THE WHITE HOUSE, March 24, 2004.

# CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. Pursuant to House Resolution 574 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 393.

## □ 1150

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting forth appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, with Mr. LATOURETTE (Chairman pro tempore) in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, March 24, 2004, all time for general debate pursuant to that order had expired.

Pursuant to House Resolution 574, no further general debate is in order and the concurrent resolution is considered read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 393 is as follows:

## H. CON. RES. 393

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

## SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2005.

## TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Major functional categories.

## TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

Sec. 201. Reconciliation in the House of Representatives.

Sec. 202. Submission of report on savings to be used for members of the Armed Forces in Iraq and Afghanistan.

# TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

## Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates

- Sec. 301. Deficit-neutral reserve fund for health insurance for the uninsured.
- Sec. 302. Deficit-neutral reserve fund for the Family Opportunity Act.
- Sec. 303. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.
- Sec. 304. Reserve fund for pending legislation.

## Subtitle B—Contingency Procedure

- Sec. 311. Contingency procedure for surface transportation.

# TITLE IV—BUDGET ENFORCEMENT

- Sec. 401. Restrictions on advance appropriations.
- Sec. 402. Emergency legislation.
- Sec. 403. Compliance with section 13301 of the Budget Enforcement Act of 1990.
- Sec. 404. Application and effect of changes in allocations and aggregates.

## TITLE V—SENSE OF THE HOUSE

- Sec. 501. Sense of the House on spending accountability.
- Sec. 502. Sense of the House on entitlement reform.

# TITLE I—RECOMMENDED LEVELS AND AMOUNTS

## SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

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

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

Fiscal year 2004: \$1,272,966,000,000.  
 Fiscal year 2005: \$1,457,215,000,000.  
 Fiscal year 2006: \$1,619,835,000,000.  
 Fiscal year 2007: \$1,721,568,000,000.  
 Fiscal year 2008: \$1,818,559,000,000.  
 Fiscal year 2009: \$1,922,133,000,000.

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

Fiscal year 2004: —\$179,000,000.  
 Fiscal year 2005: \$19,919,000,000.  
 Fiscal year 2006: \$34,346,000,000.  
 Fiscal year 2007: \$33,376,000,000.  
 Fiscal year 2008: \$27,231,000,000.  
 Fiscal year 2009: \$30,927,000,000.

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

Fiscal year 2004: \$1,952,700,000,000.  
 Fiscal year 2005: \$2,010,338,000,000.  
 Fiscal year 2006: \$2,071,186,000,000.  
 Fiscal year 2007: \$2,193,395,000,000.  
 Fiscal year 2008: \$2,311,770,000,000.  
 Fiscal year 2009: \$2,431,782,000,000.

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

Fiscal year 2004: \$1,911,235,000,000.  
 Fiscal year 2005: \$2,007,926,000,000.  
 Fiscal year 2006: \$2,083,910,000,000.  
 Fiscal year 2007: \$2,169,446,000,000.  
 Fiscal year 2008: \$2,277,071,000,000.  
 Fiscal year 2009: \$2,393,946,000,000.

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

Fiscal year 2004: \$638,269,000,000.  
 Fiscal year 2005: \$550,711,000,000.  
 Fiscal year 2006: \$464,075,000,000.  
 Fiscal year 2007: \$447,878,000,000.

Fiscal year 2008: \$458,512,000,000.

Fiscal year 2009: \$471,813,000,000.

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

Fiscal year 2004: \$7,436,000,000,000.  
 Fiscal year 2005: \$8,087,000,000,000.  
 Fiscal year 2006: \$8,675,000,000,000.  
 Fiscal year 2007: \$9,244,000,000,000.  
 Fiscal year 2008: \$9,823,000,000,000.  
 Fiscal year 2009: \$10,419,000,000,000.

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

Fiscal year 2004: \$4,385,000,000,000.  
 Fiscal year 2005: \$4,775,000,000,000.  
 Fiscal year 2006: \$5,060,000,000,000.  
 Fiscal year 2007: \$5,312,000,000,000.  
 Fiscal year 2008: \$5,560,000,000,000.  
 Fiscal year 2009: \$5,807,000,000,000.

## SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are:

(1) **National Defense (050):**

Fiscal year 2004:  
 (A) New budget authority, \$461,544,000,000.  
 (B) Outlays, \$451,125,000,000.  
 Fiscal year 2005:  
 (A) New budget authority, \$419,634,000,000.  
 (B) Outlays, \$447,114,000,000.

Fiscal year 2006:  
 (A) New budget authority, \$442,400,000,000.  
 (B) Outlays, \$439,098,000,000.

Fiscal year 2007:  
 (A) New budget authority, \$464,000,000,000.  
 (B) Outlays, \$445,927,000,000.

Fiscal year 2008:  
 (A) New budget authority, \$486,149,000,000.  
 (B) Outlays, \$465,542,000,000.

Fiscal year 2009:  
 (A) New budget authority, \$508,369,000,000.  
 (B) Outlays, \$487,186,000,000.

(2) **Homeland Security (100):**

Fiscal year 2004:  
 (A) New budget authority, \$29,559,000,000.  
 (B) Outlays, \$24,834,000,000.

Fiscal year 2005:  
 (A) New budget authority, \$34,102,000,000.  
 (B) Outlays, \$29,997,000,000.

Fiscal year 2006:  
 (A) New budget authority, \$33,548,000,000.  
 (B) Outlays, \$33,298,000,000.

Fiscal year 2007:  
 (A) New budget authority, \$35,160,000,000.  
 (B) Outlays, \$35,635,000,000.

Fiscal year 2008:  
 (A) New budget authority, \$36,520,000,000.  
 (B) Outlays, \$36,979,000,000.

Fiscal year 2009:  
 (A) New budget authority, \$40,420,000,000.  
 (B) Outlays, \$38,401,000,000.

(3) **International Affairs (150):**

Fiscal year 2004:  
 (A) New budget authority, \$43,604,000,000.  
 (B) Outlays, \$29,281,000,000.

Fiscal year 2005:  
 (A) New budget authority, \$26,529,000,000.  
 (B) Outlays, \$32,848,000,000.

Fiscal year 2006:  
 (A) New budget authority, \$27,776,000,000.  
 (B) Outlays, \$30,017,000,000.

Fiscal year 2007:  
 (A) New budget authority, \$27,927,000,000.  
 (B) Outlays, \$26,714,000,000.

Fiscal year 2008:  
 (A) New budget authority, \$28,077,000,000.  
 (B) Outlays, \$25,323,000,000.

Fiscal year 2009:  
 (A) New budget authority, \$28,228,000,000.  
 (B) Outlays, \$25,099,000,000.

(4) **General Science, Space, and Technology (250):**

Fiscal year 2004:  
 (A) New budget authority, \$22,822,000,000.

(B) Outlays, \$21,897,000,000.

Fiscal year 2005:

(A) New budget authority, \$22,813,000,000.

(B) Outlays, \$22,453,000,000.

Fiscal year 2006:

(A) New budget authority, \$22,927,000,000.

(B) Outlays, \$22,683,000,000.

Fiscal year 2007:

(A) New budget authority, \$23,042,000,000.

(B) Outlays, \$22,743,000,000.

Fiscal year 2008:

(A) New budget authority, \$23,157,000,000.

(B) Outlays, \$22,763,000,000.

Fiscal year 2009:

(A) New budget authority, \$23,274,000,000.

(B) Outlays, \$22,863,000,000.

(5) **Energy (270):**

Fiscal year 2004:

(A) New budget authority, \$2,323,000,000.

(B) Outlays, \$59,000,000.

Fiscal year 2005:

(A) New budget authority, \$2,863,000,000.

(B) Outlays, \$1,201,000,000.

Fiscal year 2006:

(A) New budget authority, \$2,604,000,000.

(B) Outlays, \$1,397,000,000.

Fiscal year 2007:

(A) New budget authority, \$2,583,000,000.

(B) Outlays, \$1,040,000,000.

Fiscal year 2008:

(A) New budget authority, \$2,629,000,000.

(B) Outlays, \$662,000,000.

Fiscal year 2009:

(A) New budget authority, \$2,285,000,000.

(B) Outlays, \$891,000,000.

(6) **Natural Resources and Environment (300):**

Fiscal year 2004:

(A) New budget authority, \$32,021,000,000.

(B) Outlays, \$30,210,000,000.

Fiscal year 2005:

(A) New budget authority, \$31,212,000,000.

(B) Outlays, \$30,868,000,000.

Fiscal year 2006:

(A) New budget authority, \$31,568,000,000.

(B) Outlays, \$31,911,000,000.

Fiscal year 2007:

(A) New budget authority, \$31,897,000,000.

(B) Outlays, \$32,153,000,000.

Fiscal year 2008:

(A) New budget authority, \$32,101,000,000.

(B) Outlays, \$32,128,000,000.

Fiscal year 2009:

(A) New budget authority, \$32,777,000,000.

(B) Outlays, \$32,804,000,000.

(7) **Agriculture (350):**

Fiscal year 2004:

(A) New budget authority, \$19,908,000,000.

(B) Outlays, \$18,434,000,000.

Fiscal year 2005:

(A) New budget authority, \$21,087,000,000.

(B) Outlays, \$20,501,000,000.

Fiscal year 2006:

(A) New budget authority, \$23,374,000,000.

(B) Outlays, \$22,310,000,000.

Fiscal year 2007:

(A) New budget authority, \$24,278,000,000.

(B) Outlays, \$23,199,000,000.

Fiscal year 2008:

(A) New budget authority, \$24,042,000,000.

(B) Outlays, \$22,957,000,000.

Fiscal year 2009:

(A) New budget authority, \$24,903,000,000.

(B) Outlays, \$23,956,000,000.

(8) **Commerce and Housing Credit (370):**

Fiscal year 2004:

(A) New budget authority, \$17,077,000,000.

(B) Outlays, \$12,748,000,000.

Fiscal year 2005:

(A) New budget authority, \$10,792,000,000.

(B) Outlays, \$5,782,000,000.

Fiscal year 2006:

(A) New budget authority, \$10,242,000,000.

(B) Outlays, \$6,842,000,000.

Fiscal year 2007:

(A) New budget authority, \$9,727,000,000.

(B) Outlays, \$4,769,000,000.

Fiscal year 2008:

<p>(A) New budget authority, \$9,705,000,000. (B) Outlays, \$3,190,000,000. Fiscal year 2009: (A) New budget authority, \$9,580,000,000. (B) Outlays, \$2,740,000,000. (9) Transportation (400): Fiscal year 2004: (A) New budget authority, \$62,937,000,000. (B) Outlays, \$59,280,000,000. Fiscal year 2005: (A) New budget authority, \$65,021,000,000. (B) Outlays, \$61,988,000,000. Fiscal year 2006: (A) New budget authority, \$66,075,000,000. (B) Outlays, \$64,204,000,000. Fiscal year 2007: (A) New budget authority, \$68,263,000,000. (B) Outlays, \$66,131,000,000. Fiscal year 2008: (A) New budget authority, \$69,578,000,000. (B) Outlays, \$67,545,000,000. Fiscal year 2009: (A) New budget authority, \$70,445,000,000. (B) Outlays, \$68,452,000,000. (10) Community and Regional Development (450): Fiscal year 2004: (A) New budget authority, \$13,758,000,000. (B) Outlays, \$15,443,000,000. Fiscal year 2005: (A) New budget authority, \$11,867,000,000. (B) Outlays, \$14,233,000,000. Fiscal year 2006: (A) New budget authority, \$11,655,000,000. (B) Outlays, \$12,484,000,000. Fiscal year 2007: (A) New budget authority, \$11,715,000,000. (B) Outlays, \$11,616,000,000. Fiscal year 2008: (A) New budget authority, \$11,692,000,000. (B) Outlays, \$11,392,000,000. Fiscal year 2009: (A) New budget authority, \$11,752,000,000. (B) Outlays, \$11,510,000,000. (11) Education, Training, Employment, and Social Services (500): Fiscal year 2004: (A) New budget authority, \$89,463,000,000. (B) Outlays, \$86,405,000,000. Fiscal year 2005: (A) New budget authority, \$92,523,000,000. (B) Outlays, \$90,492,000,000. Fiscal year 2006: (A) New budget authority, \$93,596,000,000. (B) Outlays, \$92,878,000,000. Fiscal year 2007: (A) New budget authority, \$94,243,000,000. (B) Outlays, \$93,365,000,000. Fiscal year 2008: (A) New budget authority, \$94,738,000,000. (B) Outlays, \$93,975,000,000. Fiscal year 2009: (A) New budget authority, \$95,366,000,000. (B) Outlays, \$94,685,000,000. (12) Health (550): Fiscal year 2004: (A) New budget authority, \$236,822,000,000. (B) Outlays, \$235,551,000,000. Fiscal year 2005: (A) New budget authority, \$245,095,000,000. (B) Outlays, \$244,936,000,000. Fiscal year 2006: (A) New budget authority, \$252,639,000,000. (B) Outlays, \$252,495,000,000. Fiscal year 2007: (A) New budget authority, \$266,117,000,000. (B) Outlays, \$265,196,000,000. Fiscal year 2008: (A) New budget authority, \$284,970,000,000. (B) Outlays, \$284,222,000,000. Fiscal year 2009: (A) New budget authority, \$304,034,000,000. (B) Outlays, \$303,460,000,000. (13) Medicare (570): Fiscal year 2004: (A) New budget authority, \$269,567,000,000. (B) Outlays, \$268,759,000,000. Fiscal year 2005:</p>	<p>(A) New budget authority, \$288,166,000,000. (B) Outlays, \$289,126,000,000. Fiscal year 2006: (A) New budget authority, \$322,974,000,000. (B) Outlays, \$322,549,000,000. Fiscal year 2007: (A) New budget authority, \$362,759,000,000. (B) Outlays, \$363,016,000,000. Fiscal year 2008: (A) New budget authority, \$387,838,000,000. (B) Outlays, \$387,858,000,000. Fiscal year 2009: (A) New budget authority, \$414,278,000,000. (B) Outlays, \$413,853,000,000. (14) Income Security (600): Fiscal year 2004: (A) New budget authority, \$329,744,000,000. (B) Outlays, \$336,074,000,000. Fiscal year 2005: (A) New budget authority, \$337,318,000,000. (B) Outlays, \$341,716,000,000. Fiscal year 2006: (A) New budget authority, \$335,387,000,000. (B) Outlays, \$339,098,000,000. Fiscal year 2007: (A) New budget authority, \$340,140,000,000. (B) Outlays, \$342,945,000,000. Fiscal year 2008: (A) New budget authority, \$352,809,000,000. (B) Outlays, \$355,046,000,000. Fiscal year 2009: (A) New budget authority, \$361,830,000,000. (B) Outlays, \$363,465,000,000. (15) Social Security (650): Fiscal year 2004: (A) New budget authority, \$13,396,000,000. (B) Outlays, \$13,396,000,000. Fiscal year 2005: (A) New budget authority, \$15,094,000,000. (B) Outlays, \$15,094,000,000. Fiscal year 2006: (A) New budget authority, \$16,589,000,000. (B) Outlays, \$16,589,000,000. Fiscal year 2007: (A) New budget authority, \$18,049,000,000. (B) Outlays, \$18,049,000,000. Fiscal year 2008: (A) New budget authority, \$19,988,000,000. (B) Outlays, \$19,988,000,000. Fiscal year 2009: (A) New budget authority, \$21,989,000,000. (B) Outlays, \$21,989,000,000. (16) Veterans Benefits and Services (700): Fiscal year 2004: (A) New budget authority, \$61,179,000,000. (B) Outlays, \$59,858,000,000. Fiscal year 2005: (A) New budget authority, \$70,536,000,000. (B) Outlays, \$68,563,000,000. Fiscal year 2006: (A) New budget authority, \$68,501,000,000. (B) Outlays, \$67,597,000,000. Fiscal year 2007: (A) New budget authority, \$66,621,000,000. (B) Outlays, \$66,007,000,000. Fiscal year 2008: (A) New budget authority, \$69,842,000,000. (B) Outlays, \$69,459,000,000. Fiscal year 2009: (A) New budget authority, \$70,506,000,000. (B) Outlays, \$70,106,000,000. (17) Administration of Justice (750): Fiscal year 2004: (A) New budget authority, \$29,932,000,000. (B) Outlays, \$30,103,000,000. Fiscal year 2005: (A) New budget authority, \$30,139,000,000. (B) Outlays, \$30,025,000,000. Fiscal year 2006: (A) New budget authority, \$27,430,000,000. (B) Outlays, \$28,036,000,000. Fiscal year 2007: (A) New budget authority, \$27,480,000,000. (B) Outlays, \$27,744,000,000. Fiscal year 2008: (A) New budget authority, \$27,616,000,000. (B) Outlays, \$27,540,000,000. Fiscal year 2009:</p>	<p>(A) New budget authority, \$27,755,000,000. (B) Outlays, \$27,621,000,000. (18) General Government (800): Fiscal year 2004: (A) New budget authority, \$23,806,000,000. (B) Outlays, \$24,540,000,000. Fiscal year 2005: (A) New budget authority, \$17,198,000,000. (B) Outlays, \$17,916,000,000. Fiscal year 2006: (A) New budget authority, \$17,419,000,000. (B) Outlays, \$17,392,000,000. Fiscal year 2007: (A) New budget authority, \$17,573,000,000. (B) Outlays, \$17,401,000,000. Fiscal year 2008: (A) New budget authority, \$17,230,000,000. (B) Outlays, \$17,075,000,000. Fiscal year 2009: (A) New budget authority, \$17,383,000,000. (B) Outlays, \$17,044,000,000. (19) Net Interest (900): Fiscal year 2004: (A) New budget authority, \$240,471,000,000. (B) Outlays, \$240,471,000,000. Fiscal year 2005: (A) New budget authority, \$270,698,000,000. (B) Outlays, \$270,698,000,000. Fiscal year 2006: (A) New budget authority, \$318,909,000,000. (B) Outlays, \$318,909,000,000. Fiscal year 2007: (A) New budget authority, \$364,463,000,000. (B) Outlays, \$364,463,000,000. Fiscal year 2008: (A) New budget authority, \$398,574,000,000. (B) Outlays, \$398,574,000,000. Fiscal year 2009: (A) New budget authority, \$427,464,000,000. (B) Outlays, \$427,464,000,000. (20) Allowances (920): Fiscal year 2004: (A) New budget authority, \$0. (B) Outlays, \$0. Fiscal year 2005: (A) New budget authority, \$50,000,000,000. (B) Outlays, \$24,850,000,000. Fiscal year 2006: (A) New budget authority, \$0. (B) Outlays, \$18,600,000,000. Fiscal year 2007: (A) New budget authority, \$0. (B) Outlays, \$5,100,000,000. Fiscal year 2008: (A) New budget authority, \$0. (B) Outlays, \$1,000,000,000. Fiscal year 2009: (A) New budget authority, \$0. (B) Outlays, \$250,000,000. (21) Undistributed Offsetting Receipts (950): Fiscal year 2004: (A) New budget authority, -\$47,233,000,000. (B) Outlays, -\$47,233,000,000. Fiscal year 2005: (A) New budget authority, -\$52,349,000,000. (B) Outlays, -\$52,475,000,000. Fiscal year 2006: (A) New budget authority, -\$54,427,000,000. (B) Outlays, -\$54,477,000,000. Fiscal year 2007: (A) New budget authority, -\$62,642,000,000. (B) Outlays, -\$63,767,000,000. Fiscal year 2008: (A) New budget authority, -\$65,485,000,000. (B) Outlays, -\$66,147,000,000. Fiscal year 2009: (A) New budget authority, -\$60,856,000,000. (B) Outlays, -\$59,893,000,000.</p>
---	---	---

## TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

### SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE.—(1) Not later than July 15, 2004, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those

recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$110,000,000 in outlays for fiscal year 2005 and \$371,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON EDUCATION AND THE WORKFORCE: INSTRUCTION TO PROVIDE FAIRNESS IN FEDERAL WORKERS COMPENSATION.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$5,000,000 in outlays for fiscal year 2005 and \$43,000,000 in outlays for the period of fiscal years 2005 through 2009.

(C) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$410,000,000 in outlays for fiscal year 2005 and \$2,185,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON GOVERNMENT REFORM: INSTRUCTION TO INCREASE RESOURCES TO AUTHORIZE INFORMATION SHARING TO ALLOW FEDERAL BENEFIT PROGRAMS LIMITED ACCESS TO FEDERAL AND STATE ADMINISTRATIVE DATA TO VERIFY ELIGIBILITY.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$170,000,000 in outlays for fiscal year 2005 and \$2,365,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit by \$1,126,000,000 for fiscal year 2005 and \$8,269,000,000 for the period of fiscal years 2005 through 2009.

(b) SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than \$13,182,000,000 for fiscal year 2005 and by not more than \$137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 through 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

**SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.**

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify \$2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and

activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

**TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE**

**Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates**

**SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.**

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

**SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.**

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

**SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.**

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

**SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.**

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

**Subtitle B—Contingency Procedure**

**SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.**

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

(1) for fiscal year 2004: \$41,569,000,000,

(2) for fiscal year 2005: \$42,657,000,000,

(3) for fiscal year 2006: \$43,635,000,000,

(4) for fiscal year 2007: \$45,709,000,000,

(5) for fiscal year 2008: \$46,945,000,000, or

(6) for fiscal year 2009: \$47,732,000,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$40,116,000,000 for fiscal year 2004 or \$41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

**TITLE IV—BUDGET ENFORCEMENT**

**SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.**

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) LIMITATION.—In the House, an advance appropriation may be provided for fiscal year 2006 or 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed \$23,568,000,000 in new budget authority.

(c) DEFINITION.—In this subsection, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

**SEC. 402. EMERGENCY LEGISLATION.**

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

#### SEC. 403. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) IN GENERAL.—In the House, 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. 404. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

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

(1) apply while that measure is under consideration;

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

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

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

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made

by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

### TITLE V—SENSE OF THE HOUSE

#### SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance); in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

#### SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable period of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

The CHAIRMAN pro tempore. No amendment to the concurrent resolution is in order except the amendments printed in House Report 108-446. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

After conclusion of consideration of the concurrent resolution for amend-

ment, there shall be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

It is now in order to consider amendment No. 1 printed in House Report 108-446.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
NO. 1 OFFERED BY MR. CUMMINGS

Mr. CUMMINGS. Mr. Chairman, as the designee of the gentleman from Virginia (Mr. SCOTT) and pursuant to the rule, I offer an amendment in the nature of a substitute.

The Chairman pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute  
No. 1 offered by Mr. CUMMINGS:

Strike all after the resolving clause and insert the following:

#### SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2006 through 2009 are hereby set forth.

#### SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2009:

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

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

Fiscal year 2005: \$1,492,715,000,000.

Fiscal year 2006: \$1,656,735,000,000.

Fiscal year 2007: \$1,760,168,000,000.

Fiscal year 2008: \$1,857,859,000,000.

Fiscal year 2009: \$1,963,833,000,000.

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

Fiscal year 2005: \$15,581,000,000.

Fiscal year 2006: \$2,554,000,000.

Fiscal year 2007: \$5,224,000,000.

Fiscal year 2008: \$12,069,000,000.

Fiscal year 2009: \$10,773,000,000.

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

Fiscal year 2005: \$2,040,121,000,000.

Fiscal year 2006: \$2,099,869,000,000.

Fiscal year 2007: \$2,221,225,000,000.

Fiscal year 2008: \$2,338,667,000,000.

Fiscal year 2009: \$2,457,855,000,000.

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

Fiscal year 2005: \$2,022,269,000,000.

Fiscal year 2006: \$2,111,755,000,000.

Fiscal year 2007: \$2,196,982,000,000.

Fiscal year 2008: \$2,303,025,000,000.

Fiscal year 2009: \$2,419,950,000,000.

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

Fiscal year 2005: —\$529,554,000,000.

Fiscal year 2006: —\$455,020,000,000.

Fiscal year 2007: —\$436,814,000,000.

Fiscal year 2008: —\$445,166,000,000.

Fiscal year 2009: —\$456,117,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: \$8,066,000,000,000.

Fiscal year 2006: \$8,645,000,000,000.

Fiscal year 2007: \$9,204,000,000,000.

Fiscal year 2008: \$9,770,000,000,000.

Fiscal year 2009: \$10,351,000,000,000.

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

Fiscal year 2005: \$4,754,000,000,000.

Fiscal year 2006: \$5,030,000,000,000.

Fiscal year 2007: \$5,272,000,000,000.

Fiscal year 2008: \$5,507,000,000,000.

Fiscal year 2009: \$5,739,000,000,000.

### SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2009 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

(A) New budget authority, \$408,486,000,000.

(B) Outlays, \$439,979,000,000.

Fiscal year 2006:

(A) New budget authority, \$430,694,000,000.

(B) Outlays, \$428,774,000,000.

Fiscal year 2007:

(A) New budget authority, \$451,728,000,000.

(B) Outlays, \$434,219,000,000.

Fiscal year 2008:

(A) New budget authority, \$473,293,000,000.

(B) Outlays, \$453,061,000,000.

Fiscal year 2009:

(A) New budget authority, \$494,923,000,000.

(B) Outlays, \$473,956,000,000.

(2) Homeland Security (100):

Fiscal year 2005:

(A) New budget authority, \$36,531,000,000.

(B) Outlays, \$31,552,000,000.

Fiscal year 2006:

(A) New budget authority, \$35,902,000,000.

(B) Outlays, \$35,421,000,000.

Fiscal year 2007:

(A) New budget authority, \$37,628,000,000.

(B) Outlays, \$38,004,000,000.

Fiscal year 2008:

(A) New budget authority, \$39,083,000,000.

(B) Outlays, \$39,478,000,000.

Fiscal year 2009:

(A) New budget authority, \$43,264,000,000.

(B) Outlays, \$41,148,000,000.

(3) International Affairs (150):

Fiscal year 2005:

(A) New budget authority, \$28,329,000,000.

(B) Outlays, \$33,616,000,000.

Fiscal year 2006:

(A) New budget authority, \$29,585,000,000.

(B) Outlays, \$31,282,000,000.

Fiscal year 2007:

(A) New budget authority, \$29,745,000,000.

(B) Outlays, \$28,258,000,000.

Fiscal year 2008:

(A) New budget authority, \$29,904,000,000.

(B) Outlays, \$27,036,000,000.

Fiscal year 2009:

(A) New budget authority, \$30,064,000,000.

(B) Outlays, \$26,925,000,000.

(4) General Science, Space, and Technology

(250):

Fiscal year 2005:

(A) New budget authority, \$22,822,000,000.

(B) Outlays, \$22,458,000,000.

Fiscal year 2006:

(A) New budget authority, \$22,936,000,000.

(B) Outlays, \$22,691,000,000.

Fiscal year 2007:

(A) New budget authority, \$23,051,000,000.

(B) Outlays, \$22,752,000,000.

Fiscal year 2008:

(A) New budget authority, \$23,166,000,000.

(B) Outlays, \$22,772,000,000.

Fiscal year 2009:

(A) New budget authority, \$23,283,000,000.

(B) Outlays, \$22,872,000,000.

(5) Energy (270):

Fiscal year 2005:

(A) New budget authority, \$2,863,000,000.

(B) Outlays, \$1,201,000,000.

Fiscal year 2006:

(A) New budget authority, \$2,604,000,000.

(B) Outlays, \$1,397,000,000.

Fiscal year 2007:

(A) New budget authority, \$2,583,000,000.

(B) Outlays, \$1,040,000,000.

Fiscal year 2008:

(A) New budget authority, \$2,629,000,000.

(B) Outlays, \$662,000,000.

Fiscal year 2009:

(A) New budget authority, \$2,285,000,000.

(B) Outlays, \$891,000,000.

(6) Natural Resources and Environment (300):

Fiscal year 2005:

(A) New budget authority, \$31,460,000,000.

(B) Outlays, \$31,032,000,000.

Fiscal year 2006:

(A) New budget authority, \$31,817,000,000.

(B) Outlays, \$32,120,000,000.

Fiscal year 2007:

(A) New budget authority, \$32,147,000,000.

(B) Outlays, \$32,385,000,000.

Fiscal year 2008:

(A) New budget authority, \$32,353,000,000.

(B) Outlays, \$32,368,000,000.

Fiscal year 2009:

(A) New budget authority, \$33,030,000,000.

(B) Outlays, \$33,056,000,000.

(7) Agriculture (350):

Fiscal year 2005:

(A) New budget authority, \$21,246,000,000.

(B) Outlays, \$20,632,000,000.

Fiscal year 2006:

(A) New budget authority, \$23,534,000,000.

(B) Outlays, \$22,461,000,000.

Fiscal year 2007:

(A) New budget authority, \$24,439,000,000.

(B) Outlays, \$23,354,000,000.

Fiscal year 2008:

(A) New budget authority, \$24,203,000,000.

(B) Outlays, \$23,113,000,000.

Fiscal year 2009:

(A) New budget authority, \$25,065,000,000.

(B) Outlays, \$24,112,000,000.

(8) Commerce and Housing Credit (370):

Fiscal year 2005:

(A) New budget authority, \$10,792,000,000.

(B) Outlays, \$5,782,000,000.

Fiscal year 2006:

(A) New budget authority, \$10,242,000,000.

(B) Outlays, \$6,842,000,000.

Fiscal year 2007:

(A) New budget authority, \$9,727,000,000.

(B) Outlays, \$4,769,000,000.

Fiscal year 2008:

(A) New budget authority, \$9,705,000,000.

(B) Outlays, \$3,190,000,000.

Fiscal year 2009:

(A) New budget authority, \$9,580,000,000.

(B) Outlays, \$2,740,000,000.

(9) Transportation (400):

Fiscal year 2005:

(A) New budget authority, \$65,121,000,000.

(B) Outlays, \$62,069,000,000.

Fiscal year 2006:

(A) New budget authority, \$66,176,000,000.

(B) Outlays, \$64,304,000,000.

Fiscal year 2007:

(A) New budget authority, \$68,364,000,000.

(B) Outlays, \$66,232,000,000.

Fiscal year 2008:

(A) New budget authority, \$69,680,000,000.

(B) Outlays, \$67,646,000,000.

Fiscal year 2009:

(A) New budget authority, \$70,547,000,000.

(B) Outlays, \$68,554,000,000.

(10) Community and Regional Development (450):

Fiscal year 2005:

(A) New budget authority, \$12,230,000,000.

(B) Outlays, \$14,322,000,000.

Fiscal year 2006:

(A) New budget authority, \$12,020,000,000.

(B) Outlays, \$12,667,000,000.

Fiscal year 2007:

(A) New budget authority, \$12,082,000,000.

(B) Outlays, \$11,906,000,000.

Fiscal year 2008:

(A) New budget authority, \$12,060,000,000.

(B) Outlays, \$11,725,000,000.

Fiscal year 2009:

(A) New budget authority, \$12,122,000,000.

(B) Outlays, \$11,860,000,000.

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

Fiscal year 2005:

(A) New budget authority, \$111,283,000,000.

(B) Outlays, \$96,270,000,000.

Fiscal year 2006:

(A) New budget authority, \$112,450,000,000.

(B) Outlays, \$111,918,000,000.

Fiscal year 2007:

(A) New budget authority, \$113,191,000,000.

(B) Outlays, \$112,380,000,000.

Fiscal year 2008:

(A) New budget authority, \$113,781,000,000.

(B) Outlays, \$112,103,000,000.

Fiscal year 2009:

(A) New budget authority, \$114,504,000,000.

(B) Outlays, \$113,755,000,000.

(12) Health (550):

Fiscal year 2005:

(A) New budget authority, \$246,371,000,000.

(B) Outlays, \$245,453,000,000.

Fiscal year 2006:

(A) New budget authority, \$253,921,000,000.

(B) Outlays, \$253,550,000,000.

Fiscal year 2007:

(A) New budget authority, \$267,406,000,000.

(B) Outlays, \$266,377,000,000.

Fiscal year 2008:

(A) New budget authority, \$286,265,000,000.

(B) Outlays, \$285,496,000,000.

Fiscal year 2009:

(A) New budget authority, \$305,336,000,000.

(B) Outlays, \$304,756,000,000.

(13) Medicare (570):

Fiscal year 2005:

(A) New budget authority, \$288,166,000,000.

(B) Outlays, \$289,126,000,000.

Fiscal year 2006:

(A) New budget authority, \$322,974,000,000.

(B) Outlays, \$322,549,000,000.

Fiscal year 2007:

(A) New budget authority, \$362,759,000,000.

(B) Outlays, \$363,016,000,000.

Fiscal year 2008:

(A) New budget authority, \$387,838,000,000.

(B) Outlays, \$387,858,000,000.

Fiscal year 2009:

(A) New budget authority, \$414,278,000,000.

(B) Outlays, \$413,853,000,000.

(14) Income Security (600):

Fiscal year 2005:

(A) New budget authority, \$343,018,000,000.

(B) Outlays, \$345,412,000,000.

Fiscal year 2006:

(A) New budget authority, \$341,115,000,000.

(B) Outlays, \$343,990,000,000.

Fiscal year 2007:

(A) New budget authority, \$345,897,000,000.

(B) Outlays, \$348,565,000,000.

Fiscal year 2008:

(A) New budget authority, \$358,595,000,000.

(B) Outlays, \$360,817,000,000.

Fiscal year 2009:

Fiscal year 2006:

(A) New budget authority, \$77,264,000,000.  
(B) Outlays, \$76,140,000,000.

Fiscal year 2007:

(A) New budget authority, \$75,427,000,000.  
(B) Outlays, \$74,678,000,000.

Fiscal year 2008:

(A) New budget authority, \$78,692,000,000.  
(B) Outlays, \$78,211,000,000.

Fiscal year 2009:

(A) New budget authority, \$79,401,000,000.  
(B) Outlays, \$78,942,000,000.

(17) Administration of Justice (750):

Fiscal year 2005:

(A) New budget authority, \$31,874,000,000.  
(B) Outlays, \$31,445,000,000.

Fiscal year 2006:

(A) New budget authority, \$29,174,000,000.  
(B) Outlays, \$29,663,000,000.

Fiscal year 2007:

(A) New budget authority, \$29,232,000,000.  
(B) Outlays, \$29,426,000,000.

Fiscal year 2008:

(A) New budget authority, \$29,377,000,000.  
(B) Outlays, \$29,264,000,000.

Fiscal year 2009:

(A) New budget authority, \$29,525,000,000.  
(B) Outlays, \$29,388,000,000.

(18) General Government (800):

Fiscal year 2005:

(A) New budget authority, \$17,198,000,000.  
(B) Outlays, \$17,916,000,000.

Fiscal year 2006:

(A) New budget authority, \$17,419,000,000.  
(B) Outlays, \$17,392,000,000.

Fiscal year 2007:

(A) New budget authority, \$17,573,000,000.  
(B) Outlays, \$17,401,000,000.

Fiscal year 2008:

(A) New budget authority, \$17,230,000,000.  
(B) Outlays, \$17,075,000,000.

Fiscal year 2009:

(A) New budget authority, \$17,383,000,000.  
(B) Outlays, \$17,044,000,000.

(19) Interest (900):

Fiscal year 2005:

(A) New budget authority, \$270,331,000,000.  
(B) Outlays, \$270,331,000,000.

Fiscal year 2006:

(A) New budget authority, \$317,882,000,000.  
(B) Outlays, \$317,882,000,000.

Fiscal year 2007:

(A) New budget authority, \$362,839,000,000.  
(B) Outlays, \$362,839,000,000.

Fiscal year 2008:

(A) New budget authority, \$396,309,000,000.  
(B) Outlays, \$396,309,000,000.

Fiscal year 2009:

(A) New budget authority, \$424,487,000,000.  
(B) Outlays, \$424,487,000,000.

(20) Allowances (920):

Fiscal year 2005:

(A) New budget authority, \$50,000,000,000.  
(B) Outlays, \$24,850,000,000.

Fiscal year 2006:

(A) New budget authority, \$—.  
(B) Outlays, \$18,600,000,000.

Fiscal year 2007:

(A) New budget authority, \$—.  
(B) Outlays, \$5,100,000,000.

Fiscal year 2008:

(A) New budget authority, \$—.  
(B) Outlays, \$1,000,000,000.

Fiscal year 2009:

(A) New budget authority, \$—.  
(B) Outlays, \$250,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 2005:

(A) New budget authority, —\$52,349,000,000.  
(B) Outlays, —\$52,475,000,000.

Fiscal year 2006:

(A) New budget authority, —\$54,427,000,000.  
(B) Outlays, —\$54,477,000,000.

Fiscal year 2007:

(A) New budget authority, —\$62,642,000,000.  
(B) Outlays, —\$63,767,000,000.

Fiscal year 2008:

(A) New budget authority, —\$65,485,000,000.

(B) Outlays, —\$66,147,000,000.

Fiscal year 2009:

(A) New budget authority, —\$60,856,000,000.  
(B) Outlays, —\$59,893,000,000.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Maryland (Mr. CUMMINGS) and the gentleman from Iowa (Mr. NUSSLE) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

I am proud to introduce the Congressional Black Caucus 2005 fiscal year budget alternative. Our theme and philosophy for the CBC 2005 budget alternative is "Investing in America's Future, Restoring Fiscal Responsibility and Fulfilling Our Shared Sacrifice."

Before we begin, I want to thank the gentleman from Virginia (Mr. SCOTT), the gentlewoman from Georgia (Ms. MAJETTE), the gentleman from Alabama (Mr. DAVIS), and all the Congressional Black Caucus members on the Committee on the Budget and the entire Congressional Black Caucus for their diligent work in putting this budget together. The Congressional Black Caucus thought it vitally important that we provide a Federal budget that goes to the center of people's lives.

Contrary to the rosy picture painted by the President, the majority of Americans are hurting under the Bush administration's fiscal policies.

Over 40 million Americans are without health insurance. Almost 9 million Americans woke up this morning without a job, and thousands of those individuals have become discouraged by the stagnant economy and have given up looking for work. Most alarming, Mr. Chairman, the American dream of a quality education remains out of reach for millions of children and families. The Congressional Black Caucus budget alternative answers all of these pressing issues and at the same time places our Nation back on the path of fiscal responsibility and accountability.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Just to start off the debate, we are obviously very interested in hearing what the Congressional Black Caucus has to offer. While we may disagree on the specifics, the caucus has almost every year provided its full alternative budget. As the chairman of the Committee on the Budget, I respect the fact that they would do so. I am going to oppose it, I respectfully oppose it; but I certainly appreciate the fact that the caucus would come forth with a full budget proposal. We look forward to hearing the debate as a proponent.

Mr. Chairman, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Chairman, I yield 3½ minutes to the gentleman from Virginia (Mr. SCOTT), distin-

guished member of the Committee on the Budget.

Mr. SCOTT of Virginia. I thank the gentleman for yielding me this time.

Mr. Chairman, the Congressional Black Caucus alternative budget is committed to making America more secure by investing in our homeland security, equipping our troops, and caring for our veterans. It also adds to our security by funding initiatives such as the COPS program, local law enforcement block grants, and juvenile crime prevention programs. The CBC alternative builds for America's future and addresses domestic challenges our country faces. It fully funds No Child Left Behind, provides funds for school construction, and increases funding for other education and job-training programs. The CBC alternative also provides funding for the minority health initiative, health insurance for the uninsured, supports child nutrition programs, funds job creation programs under the SBA, and extends unemployment insurance benefits.

The funding for these important domestic needs comes from two sources: one, a reduction in the tax cuts from 2001 and 2003 for individuals whose gross income exceeds approximately \$200,000; and the closing of tax loopholes, abusive shelters, and methods of tax avoidance. These funds total an estimated \$35.5 billion in fiscal year 2005 and are used for the domestic spending and deficit reduction parts of the budget.

The funding for urgent homeland security needs, veterans programs and benefits, and additional support for the troops in Iraq comes from two sources: a \$9.2 billion reduction in ballistic missile defense and \$3.6 billion from instances of fraud, waste and abuse within the Department of Defense such as defense contractor overcharges. Some of these funds have been reallocated to protect our troops in Iraq by providing them with bulletproof vests, vehicle armor, personal support equipment, night-vision goggles and radio jammers to protect personnel and vehicles from improvised explosive devices.

Another portion of these funds is allocated to address vital homeland security needs, including rail and port security grants, cargo screening equipment, first responders, communications systems for first responders, Federal air marshals, and the Centers for Disease Control. The remainder of these funds are used to restore cuts in veterans health care and provide enhanced benefits to our veterans in survivor benefits, medical and prosthetic research, long-term care, mental health care and GI bill benefits. The alternative budget also eliminates the disabled veterans tax. We believe that the sum of all of these initiatives will make us more secure as a Nation.

At the same time that we invest in America and our future, the CBC alternative recognizes that we cannot place the burden of our choices on our children and grandchildren. A top priority

of the CBC is to address the exploding deficit. The CBC alternative budget therefore reduces the deficit by \$70 billion compared to the House majority's budget over the next 5 years. This fiscal responsibility is rewarded with a reduction of \$8 billion in interest payments over that same period of time compared to the House majority's budget. Members of the CBC have worked tirelessly to create a budget that is fiscally responsible and recognizes the needs of the American people. It is a sound budget that protects and promotes the best interests of America.

Mr. NUSSLE. Mr. Chairman, I continue to reserve the balance of my time.

Mr. CUMMINGS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Georgia (Ms. MAJETTE).

Ms. MAJETTE. I thank the gentleman for yielding me this time.

Mr. Chairman, I am pleased to offer this substitute with my colleagues from the Congressional Black Caucus. In crafting this alternative budget, we were faced with the reality that the President's fiscal policies of the last 4 years have squandered the surplus and pushed the debt sky high. We find ourselves with a pressing need to reduce the deficit now. We owe it to our children and grandchildren. Therefore, what this budget alternative does is to allocate our limited national resources to our shared national priorities. This is a budget that every Member of this body can support. Those programs receiving increased funding in this budget are truly shared priorities that address our Nation's biggest challenges.

□ 1200

The first challenge that our Nation faces is the lack of an available job for every willing worker, and Chairman Greenspan testified that we are graduating too few skilled workers and that our students are languishing at a low skill level. That is why the largest increase in spending in this budget over the Republican bill is in education.

First and foremost, the CBC budget would fully fund No Child Left Behind at the authorized level. In addition, this budget devotes additional resources to Head Start, IDEA, Pell grants, and job training programs. This budget also stimulates our economy by funding vital programs that help small businesses, including the Small Business Administration's 7(a) program, microloans, and the Manufacturing Extension Partnership. It is essential that we assist small businesses in their efforts to create more jobs. The CBC budget offsets this additional funding by repealing the tax cuts for Americans making over \$200,000 a year and by closing corporate loopholes.

The second priority realized in the CBC budget is need to provide for a strong national defense and to support our troops and veterans. The CBC budget provides money to better armor the Humvees that carry our troops and to buy body armor for every soldier in

the field, and it keeps our promises to our veterans. We will continue to care for them, and this budget allocates almost \$9 billion in additional funding above what the Republican majority would devote to our veterans.

These defense, homeland security, and veterans assistance priorities will be paid for simply by redirecting funds from the failed missile defense system and by recouping money that Halliburton has overcharged the American taxpayers.

I urge all of my colleagues to support the passage of the CBC budget as it reduces the deficit today and meets our most pressing needs while protecting us for the future.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, first let me thank the chairman for his leadership. I thank the gentleman from Virginia (Mr. SCOTT) for his leadership in working to make a budget, presenting to this body a real and progressive alternative for us.

Mr. Chairman, during this debate and also for many weeks now, we have made a clear case for why and how the Republican budget sacrifices our children, our seniors, our security, our environment, our economy. They do this in order to advance special interest, money interest, and to promote tax breaks for the wealthy. The Republican budget does not fulfill our most fundamental requirement of providing for the common defense; the Congressional Black Caucus budget does. \$9 billion for ballistic missile defense does not provide for that defense. It diverts terribly scarce resources into a program that really does not meet our own most urgent security needs and probably will not work anyway.

Let us be clear, ballistic missile defense would not have prevented September 11, and the approach taken in the Republican budget will not prevent its recurrence.

The CBC alternative budget more than fulfills our fundamental requirement of providing for the common defense. Instead of continuing to give Halliburton a license to steal, that is about \$3 million a year, our budget furthers our commitment to our veterans who are returning home from war, and they deserve the economic security and health care that they were promised. Instead of throwing billions of dollars, billions of good money, on a bad missile defense system, our budget invests in our own security by giving increased homeland security resources, job training, health care, education, housing. We have a budget that provides for housing and education, HIV/AIDS services and prevention, and foreign aid.

So I am very proud to support this budget which invests in our future rather than bankrupting our children. That is the choice really that we have today. So I urge all Members to support this budget.

And, again, I congratulate the Congressional Black Caucus for their fine work.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Chairman, I support the CBC substitute because it steps up to the needs of key education programs.

The Republican budget includes meager increases for important programs like No Child Left Behind; the Individuals with Disabilities Education Act, IDEA; and Pell grant funding. Without the additional funding provided by the CBC budget, these programs cannot serve eligible students who are relying on them, relying on them for the education they need, the education they deserve to become self-sufficient adults who contribute to America.

The Republican budget proposal shortchanges No Child Left Behind by \$9.4 billion. It does not come close to meeting the Federal promise to fund 40 percent of the costs of IDEA, and it shortchanges the 5.3 million low-income college students who rely on Pell grants to access their higher education training. The CBC budget improves funding for all of these programs without increasing the Federal deficit like the Republican budget would.

The CBC budget adds up for all Americans, and I urge my colleagues to adopt it.

The Republican budget includes only meager increases for important programs like No Child Left Behind, the Individuals With Disabilities Education Act (IDEA), and Pell grant funding.

Without the additional funding provided in the CBC budget, these programs cannot serve eligible students who are relying on them for the education they need and deserve to become self-sufficient adults who contribute to America.

The Republican budget proposal shortchanges No Child Left Behind by \$9.4 billion; it doesn't come close to meeting the Federal promise to fund 40 percent of the cost of IDEA; and it shortchanges the 5.3 million low-income college students who rely on Pell grants to access higher education.

The CBC budget improves funding for these programs without increasing the Federal deficit like the Republican budget does.

Mr. CUMMINGS. Mr. Chairman, I yield 1¼ minutes to the distinguished gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I want to thank the chairman for yielding me this time. And I also want to commend the Congressional Black Caucus for putting together this budget, a budget which recognizes that reentry of individuals coming out of correctional institutions as one of the great needs and one of the great problems that exist in our society.

Unfortunately, the President's budget takes away from justice programs that would facilitate the reentry of these individuals. The Congressional Black Caucus budget restores those programs to help the 640,000 people who

come out of jails and prisons each year to find their way back into meaningful participation in society. And for that reason I strongly support the Congressional Black Caucus budget.

Mr. Chairman, I have always been told that budgets are a way of expressing one's positions and priorities in real dollars and cents; therefore, when we look at the Bush budget, one experiences mixed emotions, emotions that suggest concurrence that we need a strong defense budget, we need serious resources to fight terror and we do indeed need to provide for Homeland Security.

However, as we fight the war against terrorism, we also need to fight against illiteracy, poverty, hunger, malnutrition, poor health, inadequate housing, and environmental protection. We need to try and make sure that there is money to tackle correction reform, money to make education, rehabilitation and training viable in parts of our correctional system. We need money to help re-integrate ex-offenders back into normal life, otherwise, we keep sending them back to prison, thereby, costing the taxpayers money. Monies we should not have to spend especially, when we help them to become self-sufficient.

During the State of the Union Address in January, President Bush said, "600,000 inmates will be released from prison back into society" this year, and these Americans are in need of help. Many of these individuals are never able to find a decent place to live; cannot access various entitlement programs such as public housing, Pell grants, and, in some instances, food stamps; and are oftentimes denied employment because of their past criminal convictions. There is little wonder that 52 percent of these individuals end up back in jail. President Bush articulated the need for education, job training and housing well when he said "America is the land of second chance, and when the gates of the prison open, the path ahead should lead to a better life."

The Republican's budget cuts criminal justice and crime control programs for fiscal year 2005 by \$494 million and continues to increase cuts for fiscal years 2006 through 2009 by \$4.2 billion. I am concerned about the Republican's budget not adequately addressing certain issues within the criminal justice system that pertain to the Justice Assistance Grant Program which is cut by \$468 million, Local Law Enforcement Block Grant Program cut by \$219 million, Department of Justice re-entry program to help facilitate individuals with felony convictions back into normal community life is cut by \$300 million and the Edward Byrne Memorial grant programs used to fight drugs in our communities is cut by \$477 million. This budget plan is unfair, unjust and fiscally irresponsible. It shortchanges the domestic needs of our country.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from California (Mr. HONDA) and chair of the Asian-Pacific Caucus.

Mr. HONDA. Mr. Chairman, I thank the chairman of the CBC for yielding me this time.

Mr. Chairman, I rise today to express my strong opposition to the House Republican budget resolution and a hardy support for the Congressional Black Caucus's alternative budget.

As a former teacher and a principal, I understand how important quality

education is for all Americans. Unfortunately, the Republican budget fails to fund this national priority of public education. Republicans leave the No Child Left Behind Act \$9.4 billion short of promised levels. They shortchange the title I funding by \$7.2 billion, denying nearly 5 million disadvantaged children of educational services. The Republican budget freezes the maximum Pell grants for the third year in a row, while college tuitions continue to rise.

However, on the other hand, the CBC budget fully funds the No Child Left Behind Act, fully funding the promise Congress made to our Nation's schools. The CBC alternative also funds school construction to provide safe and quality learning environments.

Mr. Chairman, our national budget should be like our family budget, a reflection of our priorities and values. It should be a budget based on making the right choices. Do we make room for more expensive tax cuts or provide quality education for our Nation's students?

I believe our choice is clear. Please support the CBC's alternative budget.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

First and foremost, let me say that obviously we do not agree with some of the facts and figures laid out by my friends on the other side in their criticism of not only the Republican budget, which is the base bill here, but also the President's budget.

Mr. Chairman, be that as it may, in good comity with my colleagues, I ask unanimous consent to yield 10 minutes of my time to the gentleman from Maryland (Mr. CUMMINGS) and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN pro tempore. Under the unanimous consent agreement, the gentleman from Maryland would now have 17½ minutes.

Mr. CUMMINGS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. SMITH) for a statement.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman from Iowa for yielding me this time.

I think we have got to be very careful about increasing taxes. There are so many needs out there that it is easy to suggest that we should spend more money. But reflecting on the actuaries' report that came out the day before yesterday for Social Security and Medicare it is bad news. They are now suggesting that if we do not deal with these unfunded liabilities, where the promises are over and above the revenues coming in, we have a future that is going to be very disastrous and complicated.

Their estimate is that in 15 years, it is going to take 28 percent of our cur-

rent general fund budget to cover the difference between the taxes coming in for Social Security and Medicare and what is needed to fulfill the promises we have made. In 25 years, it is going to take over 50 percent of the general fund budget, to cover those two programs.

We cannot just continue to increase taxes. We have to start controlling the growth in government and the amount of revenue we are taking out of the pockets of the American people.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), the first vice chair of the Congressional Black Caucus.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Let me just say to my good friend that the Congressional Black Caucus budget is based upon shared sacrifice. In fact, we do provide 30.5 billion in additional program dollars, but we also provide nearly \$5 billion towards deficit reduction, shared sacrifice, Mr. Chairman.

Let me just say this. We realize that we have to protect the most vulnerable. So we protect the child care tax credit, the elimination of the marriage penalty, and the 10 percent tax bracket, but what we do say is that we rescind the tax cuts in 2001 and 2003 to those making more than \$200,000. That is shared sacrifice.

What I am concerned about is, we provide \$2.4 billion for homeland security and we give \$900 million to first responders and COPS programs. Does anybody realize that we are closing six fire stations in New York City? Does anybody realize the burden that is being placed on police and fire in our local communities who are not being reimbursed when they elevate the threat level?

We are giving to the veterans \$8.7 billion so that the veterans hospitals like the ones included in my district can remain open and provide care for those making \$30,000 and above. And, yes, having received the National Urban League's Black Progress and the complexity of Black Progress, we are trying to cut into the unequal education system that shows that 52 percent of African Americans are beneath those in the white community.

It is important, Mr. Chairman, that we have shared sacrifice. I rise to support the Congressional Black Caucus budget because it provides a roadmap for America.

#### FISCAL RESPONSIBILITY

Provides \$30.5 billion additional dollars for vital programs.

Provides nearly \$5 billion towards deficit reduction.

Extends unemployment benefits through June.

#### OFFSETS TO CREATE REVENUE

Rescinds tax cuts from 2001 and 2003 for individuals making more than \$200,00 in gross income.

Raises further revenue by closing tax loopholes, abusive shelters, and methods of tax avoidance.

CBC Budget protects the child-care tax credit, the elimination of the marriage penalty and the 10 percent tax bracket.

Reduces funding for the Ballistic Missile Defense program.

#### EDUCATION

CBC Budget adds \$18.7 billion in education spending to the budget.

CBC Budget is the only budget being offered that fully funds No Child Left Behind at the full \$9.4 billion.

Provides nearly \$2 billion for Pell Grants to raise grant amount to \$4,500.

Provides \$2 billion for School Construction and an additional \$2 billion for Job Training, Vocational Education, Adult Education.

#### HOMELAND SECURITY

CBC Budget provides an additional \$2.4 billion in Homeland Security spending.

Provides \$900 million for First Responders including the COPS Program and Citizen Corps.

Provides \$566 million for Port Security grants and an additional \$250 million for Rail Security.

#### VETERANS

CBC Budget provides an additional \$8.7 billion in Veterans program spending.

Provides \$1.25 billion to fund Veterans Health Care.

Provides \$3.6 billion to fund the Montgomery GI Bill.

Provides \$2.5 billion and \$25 billion over ten years to help eliminate the tax on disabled veterans known as concurrent receipts.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from the great State of Florida (Ms. CORRINE BROWN), the second vice chair of the Congressional Black Caucus.

Ms. CORRINE BROWN of Florida. Mr. Chairman, President Bush is cutting funds for veterans' medical care in 2005. CBO has stated that the amount the President is providing is 257 million below what is needed to maintain purchasing power at the 2004 levels. The Secretary of Veterans Affairs has testified that he sought \$1.2 billion more than what the President provided. The President's 2005 budget is a perfect example of how the Bush administration is failing to treat our veterans with the respect that they have earned.

It is mind-blowing to me that the Bush administration is going to make the trillion dollar deficit they created even worse by keeping the tax cuts it has given to the wealthy.

□ 1215

Americans deserve to have a President who looks out for the interests of the Nation as a whole, not just for the elite few.

In conclusion, Mr. Chairman, the Republican budget is not adequate to meet the needs of 25 million of our Nation's finest individuals. President Bush needs to start walking the walk if he is going to talk the talk. Wearing a flight suit and landing on a carrier does not take care of the needs of

former and current members of our Nation's military.

Mr. CUMMINGS. Mr. Chairman, we are supported tremendously by the Hispanic Caucus and certainly the Asian Pacific Caucus, and we are very pleased to yield 1½ minutes to the gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Chairman, I would like to thank the distinguished chairperson of the Black Caucus, the gentleman from Maryland (Mr. CUMMINGS), for yielding me this time; and I rise to support the alternative Progressive Caucus and Black Caucus budget that is before us today.

The Republican majority refuses to finance priorities that are most important to working families in America. They lack any support for guaranteed health care, jobs, and a clean environment. The House Republican budget will severely damage our Nation's health care system by cutting \$2.2 billion over the next 5 years in Medicaid and SCHIP programs; and in my State of California, 6.5 million people will be affected by those cuts. Mr. Chairman, 51 million Americans currently rely on the Medicaid program.

While President Bush has been in office, in fact, we have lost over 3 million jobs. In my district alone, we lost 20,000. This Republican budget denies an opportunity to provide jobs, 500,000 new jobs in infrastructure development. And on top of that, they cut back on EPA funding 7 percent across the board. That means dirty water, dirty air, and a dirty environment.

This Progressive and Black Caucus budget fully funds Leave No Child Behind, it doubles Federal funding for Historically Black Colleges and Hispanic Serving Institutions, it increases Pell grants to college students, and it increases funding for the COPS program, community policing grants. The Republican budget ignores the needs of working families.

Mr. Chairman, I urge my colleagues to support the Progressive and Black Caucus alternative budget.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi (Mr. WICKER), a member of the committee.

(Mr. WICKER asked and was given permission to revise and extend his remarks.)

Mr. WICKER. Mr. Chairman, this is an instructive debate, and the debates that we will have throughout the day and on into the evening will be instructive because they will point out the stark differences in the two philosophies which exist here in this House of Representatives and in this Congress.

I oppose the CBC budget because it increases spending by almost \$30 billion in the first year. In the face of this increased spending, it proposes to reduce the deficit. Now, how does it do that? It does so by increasing taxes by over \$35.5 billion in the first year.

Now, Mr. Chairman, I have been in this House for 10 years. Previous to that, in the early 1980s, I was a staffer

here for the House of Representatives. I am proud to have served here in both capacities. It is okay to have differences in philosophy. That is what makes democracy count, and it is a good thing. This substitute and this debate today does point out the difference that I have seen over time.

If we look down through history and if we look at all of the debates that we will have today, basically, when the Democrats propose a budget, they propose increased spending and increased taxes. When the Republicans propose a budget, we try to hold the line on spending, as this budget does, and to have a lower tax burden on the American people; and this debate today will point that out very, very distinctly.

Now, I would like to draw my colleagues' attention, Mr. Chairman, to a couple of charts. The Republican majority, since fiscal year 1996, has certainly been generous with those Departments that we have tried to invest in: a 156 percent increase in education spending, a 109 percent increase in HHS spending, a 48 percent increase in defense spending. Then, one area that is particularly near and dear to my heart—the NIH—the National Institutes of Health, during this Republican Congress, we have doubled the investment in research and health; and then even after we did that, we increased the investment a little more. So we have, I think, been very generous. But for some people in this House, and some people in this town, there is never enough spending. I submit there is just a point where we have to draw the line, we are going to try to be reasonable in what we have spent, and being generous ought to be enough.

We are coming out of recession, Mr. Chairman. At a time when we are coming out of recession, the last thing we need to do is to do what this substitute asks, and that is to raise taxes on the American people. Please vote "no" on this substitute.

Mr. CUMMINGS. Mr. Chairman, I yield 2½ minutes to the gentleman from Alabama (Mr. DAVIS), a member of the Committee on the Budget.

Mr. DAVIS of Alabama. Mr. Chairman, a lot of us on the Congressional Black Caucus and a lot of us who sit on this side of the aisle are used to being called "tax and spend liberals." It is a mantra that our friends on the other side throw around a lot. I do not know about the gentleman from Maryland, but if it makes you a liberal to stand for full funding for No Child Left Behind, and if it makes you a liberal to stand up for a revitalized Federal commitment to Medicaid, if it makes you a liberal to care about the plight of some of our children and some people who are living in public housing, I know some of us who are willing to wear that tag.

We hear a lot of talk during this debate about the tough choices that the Republican majority want to make. I have heard a lot of speakers come to the well of this House and say, we have

to be courageous, we have to make these tough spending cuts.

I do not think it is courageous, I say to the gentleman, to cut \$5 billion over the next 5 years in income subsistence programs at a time when so many children are falling back into poverty. I do not think it is courageous to cut \$1 billion from Medicaid when States like my State and the gentleman's State are struggling to draw down the limited Federal dollars that are available. I do not think it is courageous to pare back benefits for veterans. I am so tired, as I know the gentleman from Maryland is, of what is cold blooded being passed off as courageous on the floor of this House.

We do need a different set of priorities for America. And all of the Democratic budgets today, the Congressional Black Caucus budget, the Blue Dog budget, and the Democratic Caucus budget, have one thing in common: we make tough fiscal choices. We try to get a handle on this deficit, and we do it on the firmest foundations of our American values.

It may very well be that we are vulnerable to the allegation that we are walking away from tax cuts for some; but some of us on this side of the aisle are willing to walk away from tax cuts for millionaires, because I close on this reality: the middle-income Americans in this country are getting about \$217 a year out of this tax cut. The average person in my district is getting between \$25 and \$40 a month. This tax cut that our friends and our adversaries embrace so wholeheartedly disproportionately favors those who are already powerful.

In conclusion, their budget does not speak to the best of our values. Our budget does, and I encourage all of our Democrats today to support all three of these budgets.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute just to respond.

Mr. Chairman, first of all, as I said in our opening, I respect the fact that we are putting our values on the table. I have enormous respect for that. But let me just at least respond to the gentleman with regard to what he just said about taxes.

Most provisions that they are talking about, that they talk about as being tax cuts for the rich or tax increases on the rich, we have to remember that the bracket they are talking about, 90 percent of small businesses, which are the job creators in my district, in Manchester, Iowa, and it is true for all small businesses; small businesses owned by women, small businesses owned by minorities, small businesses all together, are paying this top rate, and 80 percent of the increase on taxes on this top rate would be borne by small businesses. Two-thirds of the income tax filers in the top income tax bracket have small business income. If we want to create jobs, why would we tax the job creators? That is what we are talking about.

And I respect the fact my Democrat colleagues admit they are taxers and

spenders, but do not tax the job creators.

Mr. CUMMINGS. Mr. Chairman, I yield 15 seconds to the gentleman from Alabama (Mr. DAVIS) to respond.

Mr. DAVIS of Alabama. Mr. Chairman, let me say this to the esteemed chair of the committee: 36 percent of small business owners in this country will get virtually no tax relief under this bill. The overwhelming majority of sole proprietors will only get very small relief under this bill. We can talk all we want to about the tax cuts. The reality is that for small business owners, it will have very little impact.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the very distinguished gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to applaud our chairman, the gentleman from Maryland (Chairman CUMMINGS), and also the gentleman from Virginia (Mr. SCOTT) for this budget. I join them and my colleagues in strong opposition to the Republican budget.

On November 6 of last year, we introduced the Health Care Equality and Accountability Act of 2003 with the Democratic leadership in this House and the Senate. Today I am here to assure my colleagues that that was not just a message bill. The CBC budget seeks to meet the needs of people of color in this country, the health care needs, as well as other needs, who have been left behind for so long.

Mr. Chairman, giving taxes breaks to the wealthy cannot be a priority of this country when our people are sick, disabled, and dying and do not have access to healing and lifesaving care. So our budget reauthorizes funds to the Office of Minority Health, the Indian Health Service, Health Professions and other programs that reach out to and bring wellness to our communities. It supports our teaching and safety net hospitals and other facilities, and fully funds Medicaid.

This is not increasing taxes; this is stopping corporate giveaways, giveaways to the wealthy, and investing in the strength of this country: our people.

Dr. Martin Luther King said, "Of all forms of inequality, injustice in health care is the most shocking and inhumane." We agree. And with the CBC budget, we continue our work to correct that injustice, to restore health as a right, and to heal America.

We urge our colleagues to vote "yes" on the Congressional Black Caucus budget.

Mr. CUMMINGS. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New York (Mr. OWENS).

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, once again the CBC budget makes education the highest priority. We are requesting

an increase of \$18.5 billion for education funding. The CBC understands that at the heart of our efforts to improve homeland security, at the heart of our efforts for leadership in the world, at the heart of our efforts to improve the economy is education. Everybody always seems to forget that.

The CBC is the only alternative budget, for example, with funds for school construction. This Congress blindly continues to ignore the need for school construction, school modernization, and school repairs.

This administration proposes to spend billions of dollars to build schools in Iraq, while it has placed zero in the budget to build public schools here in America. Nearly every Member of Congress has one outrageous situation in their district, at least, where there is a great obvious need for school repair, school modernization, or school construction; every Member beyond the Congressional Black Caucus members.

There is a lot of hypocrisy in the Republican position on school construction. There is an argument that the Federal Government should not be involved in school construction. On the other hand, there is some money in this budget for the construction of charter schools. Charter schools are an exception because, ideologically, this administration agrees with that.

So I urge my colleagues to vote for the Congressional Black Caucus budget because it is the only budget which understands that for homeland security and for all we want to do in America, education must come first.

Mr. CUMMINGS. Mr. Chairman, I yield 1¾ minutes to the gentleman from Texas (Mr. LAMPSON).

(Mr. LAMPSON asked and was given permission to revise and extend his remarks.)

Mr. LAMPSON. Mr. Chairman, I too rise to oppose this Republican budget. My concerns are the tax cuts and the costs that our citizens will face because of them.

This budget ignores the needs of many of the folks that work in the petrochemical industry, particularly of Southeast, but of any manufacturing activity on any waterway in our country.

Cutting taxes and government spending foolishly ignores maintenance of some of our highways of commerce for many industries, and even our military. This budget provides half the amount needed to keep our navigable waterways open.

Recently, one of the channels in my district shoaled up and caused ships to begin to hit bottom and, therefore, having to lighten their loads. The ship traffic increased going to the plants. It began to cost not only the Coast Guard more to protect them, but also the plants themselves were losing significant profits. One company was paying \$75,000 a day. That, too, could be considered a tax of us not doing our business in the right way.

□ 1230

This budget lowers the Corps of Engineers' budget from 72 percent of its needs to 50 percent of its needs. And the Corps is now notifying these companies using those ship channels that they are going to be facing even additional operating costs if Congress does not provide the money to keep our water highways open. And that is the same thing that we will be facing as a military as we, through strategic ports including the one I just spoke of with the shoaling, does not have the ability to send the equipment to Iraq for our young men and women who are fighting diligently there on our behalf.

These are some of the reasons why this needs to be reconsidered. What logic can there be behind cutting our ability to grow our economy by cutting our own infrastructure? Let us get our fiscal house in order so that working families and our Nation's security do not become the casualty of this budget debate.

Mr. CUMMINGS. Mr. Chairman, how much time remains?

The CHAIRMAN pro tempore (Mr. LATOURETTE). The gentleman from Maryland (Mr. CUMMINGS) has 5½ minutes remaining.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take a moment to simply thank many people who worked on this, including certainly the gentleman from Virginia (Mr. SCOTT) who has spent a phenomenal amount of time on this along with the gentleman from Alabama (Mr. DAVIS), the gentlewoman from Georgia (Ms. MAJETTE), and others who have just for the last month or so spent countless hours.

I also want to take the time out to recognize our staff, certainly Paul Brathwaite, the policy director of the Congressional Black Caucus, Lee Perselay and Alana Fisher, Michael Goodman and Norman Meyer, and so many others who gave so much of their time, their blood, their sweat, and their tears because they want to see a better budget and they want to see America do better.

Therefore, Mr. Chairman, at this juncture, I yield 2½ minutes to the distinguished gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Budget.

Mr. SCOTT of Virginia. Mr. Chairman, I thank the gentleman for yielding me time. I also thank the chairman of the committee for his consideration in yielding us time.

The Congressional Black Caucus alternative is committed to making America more secure. It invests in homeland security, especially for Federal air marshals, CDC, port security grants. It equips our troops with such equipment as reinforced trucks to protect from the landmines, the radio jammers that protect from long distance bombing. It also protects our veterans. The underlying budget in-

cludes an increase in veterans health, but unfortunately not enough of an increase in veterans health to maintain present services.

The veterans committee has indicated that \$2.5 million is necessary. This, the underlying budget, does not include \$2.5 million. Our budget does. It adds to security with COPS, local police on the beat, law enforcement block grants, juvenile crime prevention. It invests in our future. No Child Left Behind is fully funded in the Congressional Black Caucus budget.

We provide school construction funds, health initiative and job creation programs. The economic policy of this administration has failed and lost 3 million jobs. You cannot blame that on 9-11 because you have to go back to Harry Truman, past the Korean War, past the Vietnam War, past the last Persian Gulf War to find an administration with a 3 million job loss.

This budget invests in job creation. I will admit we have to make some tough choices. Those with incomes over \$200,000 may not enjoy a continuation of the tax cuts under the original budget. But those are the tough choices made. And we have priorities. Do we fund missile defense, or do we fund port security grants? These are the tough choices that are made.

After we have made those tough choices, we look up and have a deficit \$70 billion lower compared to the Republican budget, \$8 billion reduction in interest payments alone.

This is a fiscally responsible budget. It invests in the appropriate values of the Nation, and I would hope that it would be the pleasure of the House to adopt the CBC budget.

The CHAIRMAN pro tempore. The gentleman from Maryland (Mr. CUMMINGS) has 2 minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

I too want to thank the chairman of the committee for yielding and giving us the additional 10 minutes. We really appreciate it.

Mr. NUSSLE. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I yield to the gentleman from Iowa.

Mr. NUSSLE. I have no further speakers other than myself and I believe I have the right to close and so I am prepared to close when the gentleman is.

Mr. CUMMINGS. Reclaiming my time, I am closing now.

Mr. Chairman, again, we thank the gentleman.

The gentleman from Virginia (Mr. SCOTT) said it and the members of Congressional Black Caucus said it quite well. What we are addressing here and the reason we called our budget "Investing in America While Ensuring Fiscal Responsibility" is that we believe very strongly in a balanced budget. We believe very strongly that we must ad-

dress the issues of terrorism. It is very significant and very important to us. But at the same time, we do believe that we need to take care of Americans right here at home.

Many of our members in the Congressional Black Caucus look at our schools, and we are extremely concerned. That is why we spent a phenomenal amount of time and put a lot of emphasis on No Child Left Behind to make sure that it is properly funded, because we want those children to have a future.

I have often said that our children are the living messages we send to a future we will never see. We want to make sure they go into that future well educated, well prepared, and well ready to take on the many opportunities that will be before them. We also make sure that we secure funding for initiatives such as the COPS program because we realize that our neighborhoods have to be safe in order for people to live the best lives that they can.

Again, we look at the budget from the standpoint of this, and it is a very simple thing, Mr. Chairman. It simply is that we have one life to live. This is no dress rehearsal, and this so happens to be that life. It is our belief that the balance that we have provided in our budget is a much better alternative than the budget that the other side has presented and the President's.

Mr. Chairman, I urge Members to vote for the Congressional Black Caucus' "Investing in America While Ensuring Fiscal Responsibility" budget.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Iowa (Mr. NUSSLE) has 3½ minutes remaining.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first, as I did when I opened, I do very much respect the job that has been done by the Congressional Black Caucus in presenting a budget. It is very difficult to do that. I know that just because I have the responsibility of putting together the majority budget, and it is not an easy task. And so I appreciate the job that was done. We simply disagree, and we do so very respectfully.

The title of the budget is "Investing in America," and we just happen to believe that the best investors in America are Americans, not the government. We believe that individuals and families make much better decisions about spending their money than the government can for them. And so the reason why we believe that increasing taxes would be wrong or increasing spending at this time and the dramatic way that you go about that in your budget would just not be the right recipe at this time or the right blueprint as we move forward.

A couple of things that I just want to point out to my colleagues who are coming over and getting ready to vote.

The first is that the substitute offered by the Congressional Black Caucus raises taxes. It raises \$35 billion of

taxes in 2005 alone and \$192 billion over 5 years. And the way that it raises taxes is on small business; and that is, in my estimation, the wrong recipe at the wrong time when our economy is just poised to begin job creation. Ninety percent of small businesses pay taxes at the rate that they want to increase. More than 80 percent of the increase in taxes on the top rate will be borne by small business. Two-thirds of the income tax filers in the top income tax rate have small business income.

Small businesses represent more than 99 percent of all the employers in this country. And at the exact moment when the economy is poised after 6 months of the largest growth in 20 years, we cannot allow a tax increase to occur on those small businesses because they are the risk-takers, the entrepreneurs, the innovators in America. It is not government.

The innovation is happening outside of Washington, D.C., not inside the Beltway. And we need to encourage that.

I also just want to mention that tax cuts are not to blame for everything. We have heard a lot of people come to the floor today claiming that tax cuts cause the deficit, that tax cuts are the bane of our existence. Let me remind you that tax cuts, as you can see here, represent this white area right above here. This white line. And tax cuts would not have gotten us into deficit. It is spending. It is spending. It is spending that gets us into deficit as well as a downturn in the economy.

So two things that we cannot do, kill the economy or continue increases in spending. Second thing is that I believe the substitute spends too much money. Let me tell you what I mean by that.

Even before you ask us to adopt your budget, look at the large increases of spending that we are talking about. So before anyone comes to the floor yet again today and says somehow that we are cutting this, we are cutting that, we are gouging this, we are gouging that, my goodness we are spending a lot of money out here. In fact, if you want to look at this a little different way, this is the bar chart way. In the last 3 years total growth has been 6 percent. That is enough. We have enough spending. We do not need new taxes.

Please reject, respectfully, the Congressional Black Caucus budget.

Ms. KILPATRICK. Mr. Chairman, I rise in opposition to this resolution and in support of the Democratic and Congressional Black Caucus alternatives.

You would think that after 3 years of Bush budgets and Bush tax cuts, there is enough evidence to suggest that the people who benefited from 3 years of tax cuts are not producing jobs for the rest of working America. The sponsors of the Republican budget resolution look at economic growth and ignore stagnant job creation. That is why they try to convince working Americans to stay the course.

In the last 3 years, similar budgets have cost the economy 3 million jobs. Unemploy-

ment in my State of Michigan stands at 6.6 percent, the second largest number of unemployed citizens in the country. Unemployment among African-Americans stands at 9.8 percent.

Only 21,000 jobs were created in February, and not one was created by the private sector. If the economy continues to perform at last month's rate, it would take 9 years to recover all the jobs lost in the last three Bush budgets. This record would earn him the distinction of having the worst job creation record since the Great Depression.

The Republican budget resolution does nothing about deficits. It produces deficits each and every year of the life of the resolution and beyond. The Republican budget provides no blueprint to bring the budget into balance, and this document refuses to show how large the deficits will be in the out years beyond 2009.

Three years ago, the President told us we would see a \$5.6 trillion surplus. He used that projection to justify \$1.3 trillion in tax cuts. Now the surpluses have disappeared and if you project out 10 years to 2014, the deficits generated are estimated at \$5.5 trillion. That is a swing of \$10 trillion in tax cuts. Now the surplus have disappeared and if you project out 10 years to 2014, the deficits generated are estimated at \$5.5 trillion. That is a swing of \$10 trillion. If tax cuts are appropriate when we have surpluses, why are they appropriate when we have record deficits?

Three years ago, the Republican majority talked about putting Social Security and Medicare funds in a lock box. Now they are planning to spend the entire trillion dollar Social Security surplus from 2005 to 2009. The price we are paying for the Bush tax cuts is ultimately the dismantling of Social Security and Medicare as we know it.

With respect to education, the Republican budget underfunds No Child Left Behind by \$8.8 billion, continuing the pattern of underfunding education programs. With 3.8 million women looking for work, the Republican budget does nothing to create good paying jobs or improve access to health care.

That is the result of 3 years of Bush budgets, and we are promised more of the same.

If the Republicans were serious about the deficit, they would come up with a new economic strategy. This Republican budget promises more of the same. If the administration and its allies in Congress were serious about the deficit, they would follow the 1990 PAYGO model to make it impossible to enact any revenue, mandatory spending, or tax expenditure legislation unless there was an offset. But PAYGO in this Congress would apply only to spending, not to revenues. That is not a serious attempt to cut the deficit.

If you are satisfied with the job creation record of the last 3 years, then vote for the Republican budget resolution. If you are satisfied with the course of the economy, then vote for the Republican budget resolution. If you are satisfied with the lack of wage growth, then vote for the Republican budget resolution. If you want more of the same, then vote for this Republican budget resolution.

But if you want economic growth with job growth, look to the Democratic and CBC alternatives. If you really want to help school districts meet the mandates of No Child Left Behind, vote for the Democratic and CBC alternatives. If you want to protect Social Security

and Medicare, vote for the Democratic and CBC alternatives. If you want to do something for veterans health care, vote for the Democratic and CBC alternatives.

Ms. WATSON. Mr. Chairman, I urge my colleagues to support the substitute amendment offered by Mr. SCOTT. This amendment would refocus our budget priorities back to where they should be during this time of war—to defeating terror and making America safer. This resolution would provide an additional \$2½ billion for Homeland Security, with close to \$1 billion of that amount going directly to our first responders—the fire, police, medical, and other emergency personnel who keep our neighborhoods safe. We've talked a lot over the past couple years about the new Homeland Security Department here in Washington. We need to remember that, in case of another attack on America, Homeland Security employees will not be the ones running into danger to save lives. Just as on September 11, it will be local paramedics, firefighters, police, and others. They deserve—we all deserve—to have Congress provide the resources to make sure they are prepared to protect us.

This substitute also includes increased funding for veterans and for our troops in the field. At a time when American forces are at war, Congress should be focused on providing our soldiers with what they need, rather than focusing attention on what wealthy executives need. This substitute budget closes tax loopholes and uses those funds to pay for body armor for soldiers and armor for their vehicles. I cannot be prouder than to vote for an amendment that would both punish tax dodgers and protect our soldiers.

But we need to focus not only on our current soldiers but also our former soldiers. I am proud to be supporting a substitute budget that provides adequate resources for veterans' health care. As we ask the men and women of the armed services to risk their lives for us, we need to show them that we will be there for them as they deal, in many cases for the rest of their lives, with injuries sustained in defense of the United States. I urge my colleagues to support this substitute budget, to make America's budget priorities match America's wartime needs.

Mr. SERRANO. Mr. Chairman, I rise today in strong opposition to H. Con. Res. 393, the Republican budget resolution. There are so many things wrong with this budget resolution and the President's budget request that I would not know how to even begin listing all of them. But I am especially concerned about how this budget hurts our Nation's low-income minority communities.

Instead of providing adequate funding for job creation, healthcare, education, and housing, House Republicans have instead ignored or cut funding in these areas to finance the President's ill-conceived tax cuts to the wealthy.

At a time when well over 3 million African-Americans and Hispanics are out of work, the President's budget proposes cuts to the Small Business Administration by \$78 million, despite SBA's proven effectiveness in helping minority-owned businesses grow.

On education, the President's budget is devastating to programs designed to help minority students gain an even footing. It freezes funding for bilingual education, cuts funding for Head Start, and eliminates Even Start and dropout prevention programs. Only 17 percent

of African-Americans and 11 percent of Latinos have their college degrees, but this administration has frozen funding for Pell grants and cut funding for Perkins loans by nearly \$100 million.

The misled priorities do not stop there. According to top level officials of the administration, the President's budget underfunds the Department of Veterans Affairs by \$1.2 billion and falls short on veterans' health benefits. Furthermore, for nonveterans, the budget does nothing to address skyrocketing healthcare costs of low-income individuals.

Recklessly slashing or neglecting non-Homeland Security domestic discretionary spending, which comprises a mere one-sixth of the total budget, will not make a dent in the astronomical budget deficit that Republicans have proposed. That is why I support the substitute offered by the Congressional Black Caucus, which will not only restore funding to veterans and other domestic priorities, but also including funding for essential priorities such as local law enforcement, schools and job training.

Mr. Chairman, we in this body have an obligation to represent all Americans, not just the wealthiest ones. For that reason, I urge my colleagues to join me in opposing the Republican budget and supporting the CBC substitute, and if that fails, supporting the Democratic substitute, which is still vastly superior to the Republican resolution.

The CHAIRMAN pro tempore. All time for debate on this amendment in the nature of a substitute has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. CUMMINGS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. CUMMINGS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 302, not voting 12, as follows:

[Roll No. 88]

#### AYES—119

Ackerman	Farr	Lynch
Baca	Fattah	Majette
Baldwin	Filner	Maloney
Ballance	Ford	Markey
Becerra	Frank (MA)	Matsui
Berman	Gephardt	McCollum
Bishop (GA)	Green (TX)	McDermott
Blumenauer	Grijalva	McGovern
Brady (PA)	Gutierrez	McNulty
Brown (OH)	Hastings (FL)	Meehan
Brown, Corrine	Hinchey	Meek (FL)
Capuano	Hinojosa	Meeks (NY)
Carson (IN)	Holt	Menendez
Clay	Honda	Millender
Clyburn	Jackson (IL)	McDonald
Conyers	Jackson-Lee	Miller, George
Cooper	(TX)	Moran (VA)
Crowley	Jefferson	Nadler
Cummings	Johnson, E. B.	Napolitano
Davis (AL)	Jones (OH)	Neal (MA)
Davis (IL)	Kaptur	Oberstar
DeFazio	Kennedy (RI)	Olver
Delahunt	Kilpatrick	Owens
Deutscher	Kleczka	Pallone
Dingell	Kucinich	Pascrell
Doggett	Lantos	Pastor
Dooley (CA)	Larson (CT)	Payne
Doyle	Lee	Pelosi
Engel	Lewis (GA)	Rahall
Eshoo	Lofgren	Rangel
Evans	Lowey	Rothman

Roybal-Allard	Scott (GA)
Ruppersberger	Scott (VA)
Rush	Serrano
Ryan (OH)	Sherman
Sabo	Solis
Sánchez, Linda T.	Stark
Sánchez, Loretta	Tauscher
Sanders	Thompson (MS)
Schakowsky	Tierney
	Towns

#### NOES—302

Aderholt	Emerson	Lucas (OK)
Akin	English	Manzullo
Alexander	Etheridge	Marshall
Allen	Everett	Matheson
Andrews	Feeney	McCarthy (MO)
Bachus	Ferguson	McCarthy (NY)
Baird	Flake	McCotter
Baker	Foley	McCrery
Ballenger	Forbes	McHugh
Barrett (SC)	Fossella	McIntyre
Bartlett (MD)	Franks (AZ)	McKeon
Barton (TX)	Frelinghuysen	Mica
Bass	Frost	Michaud
Beauprez	Gallegly	Miller (FL)
Bell	Garrett (NJ)	Miller (MI)
Bereuter	Gerlach	Miller (NC)
Berkley	Gibbons	Miller, Gary
Berry	Gilchrest	Mollohan
Biggert	Gillmor	Moore
Bilirakis	Gingrey	Moran (KS)
Bishop (NY)	Gonzalez	Murphy
Bishop (UT)	Goode	Murtha
Blackburn	Goodlatte	Musgrave
Blunt	Gordon	Myrick
Boehrlert	Goss	Nethercutt
Boehner	Granger	Neugebauer
Bonilla	Graves	Ney
Bono	Green (WI)	Northup
Boozman	Greenwood	Norwood
Boswell	Gutknecht	Nunes
Boucher	Hall	Nussle
Boyd	Harman	Obey
Bradley (NH)	Harris	Ortiz
Brady (TX)	Hart	Osborne
Brown (SC)	Hastings (WA)	Ose
Brown-Waite,	Hayes	Otter
Ginny	Hayworth	Oxley
Burgess	Hefley	Paul
Burns	Hensarling	Pearce
Burr	Herger	Peterson (MN)
Burton (IN)	Hill	Peterson (PA)
Buyer	Hobson	Petri
Calvert	Hoekstra	Pickering
Camp	Holden	Pitts
Cannon	Hooley (OR)	Platts
Cantor	Hostettler	Pombo
Capito	Houghton	Pomeroy
Capps	Hoyer	Porter
Cardin	Hulshof	Portman
Cardoza	Hunter	Pryce (OH)
Carson (OK)	Hyde	Putnam
Carter	Inslee	Radanovich
Case	Isakson	Ramstad
Castle	Israel	Regula
Chabot	Issa	Rehberg
Chandler	Istook	Renzi
Chocola	Jenkins	Reyes
Coble	John	Reynolds
Cole	Johnson (CT)	Rodriguez
Collins	Johnson (IL)	Rogers (AL)
Costello	Johnson, Sam	Rogers (KY)
Cox	Jones (NC)	Rogers (MI)
Cramer	Kanjorski	Rohrabacher
Crane	Keller	Ros-Lehtinen
Crenshaw	Kelly	Ross
Cubin	Kennedy (MN)	Royce
Culberson	Kildee	Ryan (WI)
Cunningham	Kind	Ryun (KS)
Davis (CA)	King (IA)	Sandlin
Davis (FL)	King (NY)	Saxton
Davis (TN)	Kingston	Schiff
Davis, Jo Ann	Kirk	Schrock
Davis, Tom	Kline	Sensenbrenner
Deal (GA)	Knollenberg	Sessions
DeGette	Kolbe	Shadegg
DeLauro	LaHood	Shaw
DeLay	Lampson	Shays
Diaz-Balart, L.	Langevin	Sherwood
Diaz-Balart, M.	Larsen (WA)	Shimkus
Dicks	Latham	Shuster
Doolittle	LaTourette	Simmons
Dreier	Leach	Simpson
Duncan	Levin	Skelton
Dunn	Lewis (CA)	Slaughter
Edwards	Lewis (KY)	Smith (MI)
Ehlers	Lipinski	Smith (NJ)
Emanuel	LoBiondo	Smith (TX)

Smith (WA)	Terry	Walden (OR)
Snyder	Thomas	Walsh
Souder	Thompson (CA)	Wamp
Spratt	Thornberry	Weldon (FL)
Stearns	Tiahrt	Weldon (PA)
Stenholm	Tiberi	Weller
Strickland	Toomey	Whitfield
Stupak	Turner (OH)	Wicker
Sullivan	Turner (TX)	Wilson (NM)
Sweeney	Udall (CO)	Wilson (SC)
Tancredo	Udall (NM)	Wolf
Tanner	Upton	Wu
Taylor (MS)	Visclosky	Young (AK)
Taylor (NC)	Vitter	Young (FL)

#### NOT VOTING—12

Abercrombie	Linder	Price (NC)
Bonner	Lucas (KY)	Quinn
DeMint	McInnis	Tauzin
Hoefel	Pence	Wexler

#### ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LATOURETTE) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1310

Messrs. BURR, GALLEGLY, GUT-KNECHT, MCCOTTER, RAMSTAD, and GONZALEZ changed their vote from "aye" to "no."

Mr. KENNEDY of Rhode Island changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BONNER. Mr. Chairman, I was unavoidably detained in a meeting off the Hill and was not able to vote on the Cummings amendment, rollcall No. 88. Had I been present, I would have voted "no."

The CHAIRMAN pro tempore (Mr. LATOURETTE). It is now in order to consider amendment No. 2 printed in House Report 108-446.

#### AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 2 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, as the designee of the gentleman from Indiana (Mr. HILL), I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the Nature of a Substitute No. 2 offered by Mr. STENHOLM:

Strike all after the resolving clause and insert the following:

#### SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2006 through 2014 are hereby set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2004.

#### TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Homeland security.

Sec. 103. Major functional categories.

#### TITLE II—RECONCILIATION

Sec. 201. Reconciliation.

Sec. 202. Submission of report on defense savings.

## TITLE III—RESERVE FUNDS AND ENFORCEMENT

## Subtitle A—Reserve Funds

- Sec. 301. Reserve fund for the costs of military operations in Iraq and Afghanistan.
- Sec. 302. Reserve fund for health insurance for the uninsured.
- Sec. 303. Adjustment for surface transportation.
- Sec. 304. Reserve fund for permanent extension of tax cuts.
- Sec. 305. Reserve fund for funding local law enforcement programs.
- Sec. 306. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.

## Subtitle B—Enforcement

- Sec. 311. Point of order against certain legislation reducing the surplus or increasing the deficit after fiscal year 2009.
- Sec. 312. Application and effect of changes in allocations and aggregates.
- Sec. 313. Discretionary spending limits in the house.
- Sec. 314. Emergency legislation.
- Sec. 315. Pay-as-you-go point of order in the House.
- Sec. 316. Disclosure of effect of legislation on the public debt.
- Sec. 317. Disclosure of interest costs.
- Sec. 318. Dynamic scoring of tax legislation.
- Sec. 319. Restrictions on advance appropriations.

## Subtitle C—Increase in Debt Limit Contingent Upon Plan To Restore Balanced Budget

- Sec. 321. Increase in debt limit.
- Sec. 322. Review of budget outlook.

## TITLE IV—SENSE OF CONGRESS AND SENSE OF HOUSE PROVISIONS

- Sec. 401. Sense of Congress regarding budget enforcement.
- Sec. 402. Sense of Congress on tax reform.
- Sec. 403. Sense of the house on spending accountability.
- Sec. 404. Sense of Congress regarding previously enacted tax legislation.
- Sec. 405. Sense of Congress regarding a trigger mechanism for costs of prescription drug legislation.
- Sec. 406. Sense of Congress regarding responsible funding for additional military end strength.
- Sec. 407. Sense of the House regarding funding for the manufacturing extension partnership.
- Sec. 408. Sense of the House regarding the conservation spending category.
- Sec. 409. Sense of the House regarding the ouachita-black navigation project.
- Sec. 410. Sense of the House on tax simplification and tax fairness.
- Sec. 411. Sense of the House on LIHEAP.

## TITLE I—RECOMMENDED LEVELS AND AMOUNTS

## SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2005 through 2014:

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

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

Fiscal year 2005: \$1,466,774,000,000.  
 Fiscal year 2006: \$1,643,201,000,000.  
 Fiscal year 2007: \$1,776,224,000,000.  
 Fiscal year 2008: \$1,867,910,000,000.  
 Fiscal year 2009: \$1,976,900,000,000.  
 Fiscal year 2010: \$2,095,382,000,000.  
 Fiscal year 2011: \$2,293,633,000,000.

Fiscal year 2012: \$2,472,923,000,000.

Fiscal year 2013: \$2,605,505,000,000.

Fiscal year 2014: \$2,747,823,000,000.

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

Fiscal year 2005: \$10,360,000,000.  
 Fiscal year 2006: \$10,980,000,000.  
 Fiscal year 2007: —\$21,280,000,000.  
 Fiscal year 2008: —\$22,120,000,000.  
 Fiscal year 2009: —\$23,840,000,000.  
 Fiscal year 2010: —\$31,800,000,000.  
 Fiscal year 2011: —\$12,040,000,000.  
 Fiscal year 2012: \$11,500,000,000.  
 Fiscal year 2013: \$12,500,000,000.  
 Fiscal year 2014: \$14,000,000,000.

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

Fiscal year 2005: \$1,962,161,000,000.  
 Fiscal year 2006: \$2,064,882,000,000.  
 Fiscal year 2007: \$2,190,409,000,000.  
 Fiscal year 2008: \$2,294,184,000,000.  
 Fiscal year 2009: \$2,424,272,000,000.  
 Fiscal year 2010: \$2,521,850,000,000.  
 Fiscal year 2011: \$2,645,018,000,000.  
 Fiscal year 2012: \$2,721,044,000,000.  
 Fiscal year 2013: \$2,846,992,000,000.  
 Fiscal year 2014: \$2,972,679,000,000.

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

Fiscal year 2005: \$1,981,499,000,000.  
 Fiscal year 2006: \$2,075,659,000,000.  
 Fiscal year 2007: \$2,166,368,000,000.  
 Fiscal year 2008: \$2,259,452,000,000.  
 Fiscal year 2009: \$2,386,165,000,000.  
 Fiscal year 2010: \$2,497,928,000,000.  
 Fiscal year 2011: \$2,626,458,000,000.  
 Fiscal year 2012: \$2,695,976,000,000.  
 Fiscal year 2013: \$2,827,312,000,000.  
 Fiscal year 2014: \$2,952,585,000,000.

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

Fiscal year 2005: —\$514,726,000,000.  
 Fiscal year 2006: —\$432,458,000,000.  
 Fiscal year 2007: —\$390,144,000,000.  
 Fiscal year 2008: —\$391,542,000,000.  
 Fiscal year 2009: —\$409,264,000,000.  
 Fiscal year 2010: —\$402,546,000,000.  
 Fiscal year 2011: —\$332,825,000,000.  
 Fiscal year 2012: —\$223,053,000,000.  
 Fiscal year 2013: —\$221,807,000,000.  
 Fiscal year 2014: —\$204,762,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2005: \$8,048,800,000,000.  
 Fiscal year 2006: \$8,605,200,000,000.  
 Fiscal year 2007: \$9,116,400,000,000.  
 Fiscal year 2008: \$9,629,000,000,000.  
 Fiscal year 2009: \$10,162,300,000,000.  
 Fiscal year 2010: \$10,691,800,000,000.  
 Fiscal year 2011: \$11,150,200,000,000.  
 Fiscal year 2012: \$11,514,300,000,000.  
 Fiscal year 2013: \$11,872,500,000,000.  
 Fiscal year 2014: \$12,215,400,000,000.

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

Fiscal year 2005: \$4,737,200,000,000.  
 Fiscal year 2006: \$4,990,100,000,000.  
 Fiscal year 2007: \$5,184,900,000,000.  
 Fiscal year 2008: \$5,365,500,000,000.  
 Fiscal year 2009: \$5,550,200,000,000.  
 Fiscal year 2010: \$5,714,800,000,000.  
 Fiscal year 2011: \$5,796,100,000,000.  
 Fiscal year 2012: \$5,758,600,000,000.  
 Fiscal year 2013: \$5,712,900,000,000.  
 Fiscal year 2014: \$5,643,900,000,000.

## SEC. 102. HOMELAND SECURITY.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal year 2005 for Homeland Security are as follows:

(1) New budget authority, \$34,102,000,000.

(2) Outlays, \$29,997,000,000.

## SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2005 through 2014 for each major functional category are:

(1) National Defense (050):

Fiscal year 2005:

(A) New budget authority, \$422,157,000,000.

(B) Outlays, \$449,442,000,000.

Fiscal year 2006:

(A) New budget authority, \$444,807,000,000.

(B) Outlays, \$441,451,000,000.

Fiscal year 2007:

(A) New budget authority, \$466,423,000,000.

(B) Outlays, \$448,337,000,000.

Fiscal year 2008:

(A) New budget authority, \$488,691,000,000.

(B) Outlays, \$468,010,000,000.

Fiscal year 2009:

(A) New budget authority, \$511,074,000,000.

(B) Outlays, \$489,757,000,000.

Fiscal year 2010:

(A) New budget authority, \$523,701,000,000.

(B) Outlays, \$511,202,000,000.

Fiscal year 2011:

(A) New budget authority, \$537,177,000,000.

(B) Outlays, \$533,024,000,000.

Fiscal year 2012:

(A) New budget authority, \$550,124,000,000.

(B) Outlays, \$539,798,000,000.

Fiscal year 2013:

(A) New budget authority, \$563,075,000,000.

(B) Outlays, \$557,979,000,000.

Fiscal year 2014:

(A) New budget authority, \$577,498,000,000.

(B) Outlays, \$571,363,000,000.

(2) International Affairs (150):

Fiscal year 2005:

(A) New budget authority, \$26,586,000,000.

(B) Outlays, \$32,878,000,000.

Fiscal year 2006:

(A) New budget authority, \$27,836,000,000.

(B) Outlays, \$30,066,000,000.

Fiscal year 2007:

(A) New budget authority, \$27,990,000,000.

(B) Outlays, \$26,768,000,000.

Fiscal year 2008:

(A) New budget authority, \$27,540,000,000.

(B) Outlays, \$24,269,000,000.

Fiscal year 2009:

(A) New budget authority, \$28,298,000,000.

(B) Outlays, \$25,162,000,000.

Fiscal year 2010:

(A) New budget authority, \$28,888,000,000.

(B) Outlays, \$25,637,000,000.

Fiscal year 2011:

(A) New budget authority, \$29,505,000,000.

(B) Outlays, \$25,850,000,000.

Fiscal year 2012:

(A) New budget authority, \$30,119,000,000.

(B) Outlays, \$26,124,000,000.

Fiscal year 2013:

(A) New budget authority, \$30,752,000,000.

(B) Outlays, \$26,654,000,000.

Fiscal year 2014:

(A) New budget authority, \$31,438,000,000.

(B) Outlays, \$27,216,000,000.

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

Fiscal year 2005:

(A) New budget authority, \$23,418,000,000.

(B) Outlays, \$22,975,000,000.

Fiscal year 2006:

(A) New budget authority, \$23,557,000,000.

(B) Outlays, \$23,263,000,000.

Fiscal year 2007:

(A) New budget authority, \$23,696,000,000.

(B) Outlays, \$23,352,000,000.

Fiscal year 2008:

(A) New budget authority, \$23,369,000,000.

(B) Outlays, \$23,040,000,000.

Fiscal year 2009:

(A) New budget authority, \$23,980,000,000.

(B) Outlays, \$23,525,000,000.

Fiscal year 2010:

(A) New budget authority, \$24,484,000,000. (B) Outlays, \$23,988,000,000. Fiscal year 2011:	(A) New budget authority, \$25,126,000,000. (B) Outlays, \$24,061,000,000. Fiscal year 2009:	(A) New budget authority, \$14,950,000,000. (B) Outlays, \$15,594,000,000. Fiscal year 2007:
(A) New budget authority, \$25,005,000,000. (B) Outlays, \$24,357,000,000. Fiscal year 2012:	(A) New budget authority, \$25,985,000,000. (B) Outlays, \$25,138,000,000. Fiscal year 2010:	(A) New budget authority, \$15,183,000,000. (B) Outlays, \$15,462,000,000. Fiscal year 2008:
(A) New budget authority, \$25,531,000,000. (B) Outlays, \$24,813,000,000. Fiscal year 2013:	(A) New budget authority, \$25,980,000,000. (B) Outlays, \$25,164,000,000. Fiscal year 2011:	(A) New budget authority, \$15,433,000,000. (B) Outlays, \$15,565,000,000. Fiscal year 2009:
(A) New budget authority, \$26,084,000,000. (B) Outlays, \$25,340,000,000. Fiscal year 2014:	(A) New budget authority, \$25,963,000,000. (B) Outlays, \$25,142,000,000. Fiscal year 2012:	(A) New budget authority, \$15,872,000,000. (B) Outlays, \$15,749,000,000. Fiscal year 2010:
(A) New budget authority, \$26,641,000,000. (B) Outlays, \$25,878,000,000. (4) Energy (270): Fiscal year 2005:	(A) New budget authority, \$25,885,000,000. (B) Outlays, \$25,078,000,000. Fiscal year 2013:	(A) New budget authority, \$16,189,000,000. (B) Outlays, \$16,247,000,000. Fiscal year 2011:
(A) New budget authority, \$2,344,000,000. (B) Outlays, \$707,000,000. Fiscal year 2006:	(A) New budget authority, \$25,888,000,000. (B) Outlays, \$25,038,000,000. Fiscal year 2014:	(A) New budget authority, \$16,517,000,000. (B) Outlays, \$15,978,000,000. Fiscal year 2012:
(A) New budget authority, \$2,189,000,000. (B) Outlays, \$1,024,000,000. Fiscal year 2007:	(A) New budget authority, \$25,854,000,000. (B) Outlays, \$25,031,000,000. (7) Commerce and Housing Credit (370): Fiscal year 2005:	(A) New budget authority, \$16,846,000,000. (B) Outlays, \$16,159,000,000. Fiscal year 2013:
(A) New budget authority, \$2,214,000,000. (B) Outlays, \$649,000,000. Fiscal year 2008:	(A) New budget authority, \$11,000,000,000. (B) Outlays, \$4,677,000,000. Fiscal year 2006:	(A) New budget authority, \$17,196,000,000. (B) Outlays, \$16,450,000,000. Fiscal year 2014:
(A) New budget authority, \$2,305,000,000. (B) Outlays, \$373,000,000. Fiscal year 2009:	(A) New budget authority, \$10,457,000,000. (B) Outlays, \$5,749,000,000. Fiscal year 2007:	(A) New budget authority, \$17,542,000,000. (B) Outlays, \$16,750,000,000. (10) Education, Training, Employment, and Social Services (500): Fiscal year 2005:
(A) New budget authority, \$1,903,000,000. (B) Outlays, \$489,000,000. Fiscal year 2010:	(A) New budget authority, \$9,944,000,000. (B) Outlays, \$4,380,000,000. Fiscal year 2008:	(A) New budget authority, \$93,036,000,000. (B) Outlays, \$90,735,000,000. Fiscal year 2006:
(A) New budget authority, \$1,823,000,000. (B) Outlays, \$563,000,000. Fiscal year 2011:	(A) New budget authority, \$10,206,000,000. (B) Outlays, \$3,485,000,000. Fiscal year 2009:	(A) New budget authority, \$94,241,000,000. (B) Outlays, \$93,398,000,000. Fiscal year 2007:
(A) New budget authority, \$1,891,000,000. (B) Outlays, \$609,000,000. Fiscal year 2012:	(A) New budget authority, \$9,878,000,000. (B) Outlays, \$3,106,000,000. Fiscal year 2010:	(A) New budget authority, \$94,993,000,000. (B) Outlays, \$94,109,000,000. Fiscal year 2008:
(A) New budget authority, \$1,963,000,000. (B) Outlays, \$917,000,000. Fiscal year 2013:	(A) New budget authority, \$10,084,000,000. (B) Outlays, \$3,279,000,000. Fiscal year 2011:	(A) New budget authority, \$91,712,000,000. (B) Outlays, \$91,285,000,000. Fiscal year 2009:
(A) New budget authority, \$2,040,000,000. (B) Outlays, \$875,000,000. Fiscal year 2014:	(A) New budget authority, \$10,191,000,000. (B) Outlays, \$3,317,000,000. Fiscal year 2012:	(A) New budget authority, \$96,342,000,000. (B) Outlays, \$96,213,000,000. Fiscal year 2010:
(A) New budget authority, \$2,112,000,000. (B) Outlays, \$1,296,000,000. (5) Natural Resources and Environment (300): Fiscal year 2005:	(A) New budget authority, \$10,375,000,000. (B) Outlays, \$3,631,000,000. Fiscal year 2013:	(A) New budget authority, \$98,169,000,000. (B) Outlays, \$96,894,000,000. Fiscal year 2011:
(A) New budget authority, \$31,386,000,000. (B) Outlays, \$31,061,000,000. Fiscal year 2006:	(A) New budget authority, \$10,547,000,000. (B) Outlays, \$3,659,000,000. Fiscal year 2014:	(A) New budget authority, \$100,198,000,000. (B) Outlays, \$98,961,000,000. Fiscal year 2012:
(A) New budget authority, \$31,758,000,000. (B) Outlays, \$32,104,000,000. Fiscal year 2007:	(A) New budget authority, \$10,727,000,000. (B) Outlays, \$3,693,000,000. (8) Transportation (400): Fiscal year 2005:	(A) New budget authority, \$102,177,000,000. (B) Outlays, \$101,088,000,000. Fiscal year 2013:
(A) New budget authority, \$32,104,000,000. (B) Outlays, \$32,357,000,000. Fiscal year 2008:	(A) New budget authority, \$71,941,000,000. (B) Outlays, \$68,861,000,000. Fiscal year 2006:	(A) New budget authority, \$104,292,000,000. (B) Outlays, \$103,091,000,000. Fiscal year 2014:
(A) New budget authority, \$33,445,000,000. (B) Outlays, \$33,541,000,000. Fiscal year 2009:	(A) New budget authority, \$73,370,000,000. (B) Outlays, \$71,492,000,000. Fiscal year 2007:	(A) New budget authority, \$106,398,000,000. (B) Outlays, \$105,176,000,000. (11) Health (550): Fiscal year 2005:
(A) New budget authority, \$33,007,000,000. (B) Outlays, \$33,024,000,000. Fiscal year 2010:	(A) New budget authority, \$75,962,000,000. (B) Outlays, \$73,350,000,000. Fiscal year 2008:	(A) New budget authority, \$251,941,000,000. (B) Outlays, \$249,821,000,000. Fiscal year 2006:
(A) New budget authority, \$33,755,000,000. (B) Outlays, \$33,852,000,000. Fiscal year 2011:	(A) New budget authority, \$75,620,000,000. (B) Outlays, \$70,450,000,000. Fiscal year 2009:	(A) New budget authority, \$257,720,000,000. (B) Outlays, \$258,058,000,000. Fiscal year 2007:
(A) New budget authority, \$34,502,000,000. (B) Outlays, \$34,099,000,000. Fiscal year 2012:	(A) New budget authority, \$78,843,000,000. (B) Outlays, \$78,841,000,000. Fiscal year 2010:	(A) New budget authority, \$271,476,000,000. (B) Outlays, \$271,154,000,000. Fiscal year 2008:
(A) New budget authority, \$35,242,000,000. (B) Outlays, \$34,664,000,000. Fiscal year 2013:	(A) New budget authority, \$72,791,000,000. (B) Outlays, \$75,860,000,000. Fiscal year 2011:	(A) New budget authority, \$289,795,000,000. (B) Outlays, \$289,865,000,000. Fiscal year 2009:
(A) New budget authority, \$36,046,000,000. (B) Outlays, \$35,149,000,000. Fiscal year 2014:	(A) New budget authority, \$73,594,000,000. (B) Outlays, \$77,265,000,000. Fiscal year 2012:	(A) New budget authority, \$312,044,000,000. (B) Outlays, \$309,527,000,000. Fiscal year 2010:
(A) New budget authority, \$36,945,000,000. (B) Outlays, \$36,008,000,000. (6) Agriculture (350): Fiscal year 2005:	(A) New budget authority, \$74,432,000,000. (B) Outlays, \$78,863,000,000. Fiscal year 2013:	(A) New budget authority, \$332,207,000,000. (B) Outlays, \$332,089,000,000. Fiscal year 2011:
(A) New budget authority, \$22,066,000,000. (B) Outlays, \$21,184,000,000. Fiscal year 2006:	(A) New budget authority, \$75,290,000,000. (B) Outlays, \$80,531,000,000. Fiscal year 2014:	(A) New budget authority, \$356,257,000,000. (B) Outlays, \$355,680,000,000. Fiscal year 2012:
(A) New budget authority, \$24,129,000,000. (B) Outlays, \$22,981,000,000. Fiscal year 2007:	(A) New budget authority, \$76,188,000,000. (B) Outlays, \$82,165,000,000. (9) Community and Regional Development (450): Fiscal year 2005:	(A) New budget authority, \$382,311,000,000. (B) Outlays, \$381,426,000,000. Fiscal year 2013:
(A) New budget authority, \$25,066,000,000. (B) Outlays, \$23,941,000,000. Fiscal year 2008:	(A) New budget authority, \$14,999,000,000. (B) Outlays, \$16,540,000,000. Fiscal year 2006:	(A) New budget authority, \$410,737,000,000. (B) Outlays, \$409,547,000,000. Fiscal year 2014:
		(A) New budget authority, \$441,609,000,000.

(B) Outlays, \$440,241,000,000.  
 (12) Medicare (570):  
 Fiscal year 2005:  
 (A) New budget authority, \$287,855,000,000.  
 (B) Outlays, \$288,862,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$322,663,000,000.  
 (B) Outlays, \$322,245,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$362,525,000,000.  
 (B) Outlays, \$362,784,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$387,258,000,000.  
 (B) Outlays, \$387,295,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$414,018,000,000.  
 (B) Outlays, \$413,870,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$442,208,000,000.  
 (B) Outlays, \$442,496,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$478,799,000,000.  
 (B) Outlays, \$478,801,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$504,733,000,000.  
 (B) Outlays, \$504,241,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$550,143,000,000.  
 (B) Outlays, \$550,427,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$595,866,000,000.  
 (B) Outlays, \$595,863,000,000.  
 (13) Income Security (600):  
 Fiscal year 2005:  
 (A) New budget authority, \$338,094,000,000.  
 (B) Outlays, \$342,528,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$336,305,000,000.  
 (B) Outlays, \$340,057,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$341,053,000,000.  
 (B) Outlays, \$343,778,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$352,262,000,000.  
 (B) Outlays, \$354,584,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$363,266,000,000.  
 (B) Outlays, \$364,864,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$375,408,000,000.  
 (B) Outlays, \$377,160,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$392,172,000,000.  
 (B) Outlays, \$392,862,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$382,017,000,000.  
 (B) Outlays, \$382,492,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$396,417,000,000.  
 (B) Outlays, \$396,918,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$407,234,000,000.  
 (B) Outlays, \$408,043,000,000.  
 (14) Social Security (650):  
 Fiscal year 2005:  
 (A) New budget authority, \$15,386,000,000.  
 (B) Outlays, \$15,196,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$16,801,000,000.  
 (B) Outlays, \$16,740,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$18,159,000,000.  
 (B) Outlays, \$18,139,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$19,505,000,000.  
 (B) Outlays, \$19,528,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$21,860,000,000.  
 (B) Outlays, \$21,863,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$24,121,000,000.  
 (B) Outlays, \$24,127,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$28,007,000,000.  
 (B) Outlays, \$28,009,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$30,993,000,000.  
 (B) Outlays, \$30,995,000,000.

Fiscal year 2013:  
 (A) New budget authority, \$33,739,000,000.  
 (B) Outlays, \$33,740,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$36,603,000,000.  
 (B) Outlays, \$36,604,000,000.  
 (15) Veterans Benefits and Services (700):  
 Fiscal year 2005:  
 (A) New budget authority, \$71,432,000,000.  
 (B) Outlays, \$69,456,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$69,415,000,000.  
 (B) Outlays, \$68,521,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$67,554,000,000.  
 (B) Outlays, \$66,937,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$68,680,000,000.  
 (B) Outlays, \$68,443,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$73,552,000,000.  
 (B) Outlays, \$73,097,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$75,138,000,000.  
 (B) Outlays, \$74,667,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$79,507,000,000.  
 (B) Outlays, \$79,046,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$76,587,000,000.  
 (B) Outlays, \$76,114,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$81,208,000,000.  
 (B) Outlays, \$80,732,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$83,275,000,000.  
 (B) Outlays, \$82,822,000,000.  
 (16) Administration of Justice (750):  
 Fiscal year 2005:  
 (A) New budget authority, \$43,835,000,000.  
 (B) Outlays, \$41,255,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$39,933,000,000.  
 (B) Outlays, \$40,269,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$40,601,000,000.  
 (B) Outlays, \$40,637,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$38,497,000,000.  
 (B) Outlays, \$38,501,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$42,172,000,000.  
 (B) Outlays, \$41,444,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$43,335,000,000.  
 (B) Outlays, \$43,022,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$44,531,000,000.  
 (B) Outlays, \$44,174,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$45,776,000,000.  
 (B) Outlays, \$45,378,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$47,052,000,000.  
 (B) Outlays, \$46,617,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$48,375,000,000.  
 (B) Outlays, \$49,939,000,000.  
 (17) General Government (800):  
 Fiscal year 2005:  
 (A) New budget authority, \$17,324,000,000.  
 (B) Outlays, \$17,962,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$17,549,000,000.  
 (B) Outlays, \$17,498,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$17,711,000,000.  
 (B) Outlays, \$17,531,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$18,847,000,000.  
 (B) Outlays, \$18,713,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$17,276,000,000.  
 (B) Outlays, \$17,189,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$17,852,000,000.  
 (B) Outlays, \$17,634,000,000.  
 Fiscal year 2011:

(A) New budget authority, \$18,464,000,000.  
 (B) Outlays, \$18,230,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$19,088,000,000.  
 (B) Outlays, \$18,908,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$19,710,000,000.  
 (B) Outlays, \$19,262,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$20,359,000,000.  
 (B) Outlays, \$19,852,000,000.  
 (18) Interest (900):  
 Fiscal year 2005:  
 (A) New budget authority, \$270,012,000,000.  
 (B) Outlays, \$270,012,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$316,698,000,000.  
 (B) Outlays, \$316,698,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$359,828,000,000.  
 (B) Outlays, \$359,828,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$390,726,000,000.  
 (B) Outlays, \$390,726,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$416,367,000,000.  
 (B) Outlays, \$416,367,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, \$439,593,000,000.  
 (B) Outlays, \$439,593,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, \$459,207,000,000.  
 (B) Outlays, \$459,207,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, \$475,986,000,000.  
 (B) Outlays, \$475,986,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, \$488,534,000,000.  
 (B) Outlays, \$488,534,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, \$502,137,000,000.  
 (B) Outlays, \$502,137,000,000.  
 (19) Allowances (920):  
 Fiscal year 2005:  
 (A) New budget authority, \$49,853,000,000.  
 (B) Outlays, \$24,703,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$302,000,000.  
 (B) Outlays, \$18,298,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, —\$287,000,000.  
 (B) Outlays, \$4,813,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, —\$301,000,000.  
 (B) Outlays, \$699,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, —\$316,000,000.  
 (B) Outlays, —\$316,000,000.  
 Fiscal year 2010:  
 (A) New budget authority, —\$324,000,000.  
 (B) Outlays, —\$324,000,000.  
 Fiscal year 2011:  
 (A) New budget authority, —\$334,000,000.  
 (B) Outlays, —\$334,000,000.  
 Fiscal year 2012:  
 (A) New budget authority, —\$342,000,000.  
 (B) Outlays, —\$342,000,000.  
 Fiscal year 2013:  
 (A) New budget authority, —\$351,000,000.  
 (B) Outlays, —\$351,000,000.  
 Fiscal year 2014:  
 (A) New budget authority, —\$357,000,000.  
 (B) Outlays, —\$357,000,000.  
 (20) Undistributed Offsetting Receipts (950):  
 Fiscal year 2005:  
 (A) New budget authority, —\$52,505,000,000.  
 (B) Outlays, —\$52,505,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, —\$59,798,000,000.  
 (B) Outlays, —\$59,848,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, —\$61,787,000,000.  
 (B) Outlays, —\$61,937,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, —\$64,532,000,000.  
 (B) Outlays, —\$62,982,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, —\$61,150,000,000.

(B) Outlays, —\$62,745,000,000.

Fiscal year 2010:

(A) New budget authority, —\$63,552,000,000.

(B) Outlays, —\$65,222,000,000.

Fiscal year 2011:

(A) New budget authority, —\$66,135,000,000.

(B) Outlays, —\$67,820,000,000.

Fiscal year 2012:

(A) New budget authority, —\$68,800,000,000.

(B) Outlays, —\$70,355,000,000.

Fiscal year 2013:

(A) New budget authority, —\$71,406,000,000.

(B) Outlays, —\$72,881,000,000.

Fiscal year 2014:

(A) New budget authority, —\$73,765,000,000.

(B) Outlays, —\$75,135,000,000.

## TITLE II—RECONCILIATION

### SEC. 201. RECONCILIATION.

(a) RECONCILIATION INSTRUCTION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than \$10,360,000,000 for fiscal year 2005, by not more than \$45,900,000,000 for the period of fiscal years 2005 through 2009, and by not more than \$51,740,000,000 for the period of fiscal years 2005 through 2014.

(b) SENSE OF THE HOUSE.—It is the sense of the House that in complying with the instructions set forth in subsection (a), the Committee on Ways and Means should provide middle-class tax relief by extending the provisions regarding the child tax credit, marriage penalty, and ten percent income tax bracket expiring in 2004 for one year, provide permanent estate tax relief for small business and family farms and ranches, and defer a portion of tax reductions for taxpayers within incomes over \$200,000 a year until the budget is balanced.

(c) ADDITIONAL RECONCILIATION INSTRUCTION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill that consists of changes in laws within its jurisdiction that is revenue neutral by—

(1) raising revenues by closing corporate tax loopholes, improving tax compliance, and making other tax changes; and

(2) utilizing these savings to provide additional tax relief to middle-class families and small businesses or make other tax changes to promote economic growth.

### SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify \$2,000,000,000 in savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

## TITLE III—RESERVE FUNDS AND ENFORCEMENT

### Subtitle A—Reserve Funds

#### SEC. 301. RESERVE FUND FOR THE COSTS OF MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN.

(a) RESERVE FUND.—In the House, if the Committee on Appropriations reports a bill or joint resolution, or if an amendment thereto is offered or a conference report

thereon is submitted, that provides new budget authority (and outlays flowing therefrom) for the costs of military operations in Iraq and Afghanistan, then the chairman of the Committee on the Budget shall make the appropriate revisions to the allocations and other levels in this resolution by an amount not exceed \$50,000,000,000 in new budget authority and the resulting outlays.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should submit a supplemental request for funding necessary for military and civilian operations in Iraq and Afghanistan through the end of the calendar year not later than June 30, 2004.

#### SEC. 302. RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

If the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance or expands access to care for the uninsured (including a measure providing for tax deductions for the purchase of health insurance or other measures), increases access to health insurance through lowering costs, and does not increase the costs of current health insurance coverage, the chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate aggregates to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2005 and for the period of fiscal years 2005 through 2009.

#### SEC. 303. ADJUSTMENT FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of—

(1) for fiscal year 2005, \$41,772,000,000; or

(2) for fiscal years 2005 through 2009, \$207,293,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2005 and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriately made available to such Fund for the applicable fiscal year caused by such legislation or previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—(1) For fiscal year 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$40,600,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2005 pursuant to subsection (a).

(2) For fiscal year 2006, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$40,621,000,000 for fiscal year 2005, for programs, projects, and activities within the highway and transit categories as defined in subparagraphs (B) and (C) of section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset in 2006 pursuant to subsection (a).

#### SEC. 304. RESERVE FUND FOR PERMANENT EXTENSION OF TAX CUTS.

In the House, notwithstanding section 311 of this resolution, if the Committee on Ways and Means reports a bill or joint resolution, or if an amendment thereto is offered or a conference report thereon is submitted, that makes the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 permanent, and if the chairman on the Committee on the Budget certifies that the enactment of such legislation would not cause or increase a unified budget deficit in 2011 or any succeeding fiscal year covered by this resolution, then the chairman on the Committee on the Budget shall revise allocations to accommodate such legislation and make other necessary adjustments.

#### SEC. 305. RESERVE FUND FOR FUNDING LOCAL LAW ENFORCEMENT PROGRAMS.

In the House, if the House passes legislation reported by the Committee on Energy and Commerce providing for additional spectrum auctions, the Chairman of the Committee on the Budget may revise allocations for legislation providing increased funding for local law enforcement assistance by an amount that does not exceed the estimated increase in receipts from the spectrum auction legislation reported by the Committee on Energy and Commerce.

#### SEC. 306. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

### Subtitle B—Enforcement

#### SEC. 311. POINT OF ORDER AGAINST CERTAIN LEGISLATION REDUCING THE SURPLUS OR INCREASING THE DEFICIT AFTER FISCAL YEAR 2009.

It shall not be in order in the House to consider any bill, joint resolution, amendment, or conference report that includes any provision that first provides new budget authority or a decrease in revenues for any fiscal year after fiscal year 2009 through fiscal year 2014 that would decrease the surplus or increase the deficit for any fiscal year.

#### SEC. 312. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

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

(1) apply while that measure is under consideration;

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

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

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

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

### SEC. 313. DISCRETIONARY SPENDING LIMITS IN THE HOUSE.

(a) POINT OF ORDER.—It shall not be in order in the House to consider any bill or joint resolution, or amendment thereto, that provides new budget authority that would cause the discretionary spending limits to be exceeded for any fiscal year.

(b) DISCRETIONARY SPENDING LIMITS.—In the House and as used in this section, the term “discretionary spending limit” means—

(1) with respect to fiscal year 2005, for the discretionary category: \$\_\_\_\_\_ in new budget authority and \$\_\_\_\_\_ in outlays;

(2) with respect to fiscal year 2006, for the discretionary category: \$\_\_\_\_\_ in new budget authority and \$\_\_\_\_\_ in outlays;

(3) with respect to fiscal year 2007, for the discretionary category: \$\_\_\_\_\_ in new budget authority and \$\_\_\_\_\_ in outlays; as adjusted in conformance with subsection (c).

(c) ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, the offering of an amendment thereto, or the submission of a conference report thereon, the chairman of the Committee on the Budget may make the adjustments set forth in subparagraph (B) for the amount of 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. The chairman of the Committee on the Budget may also make appropriate adjustments for the reserve funds set forth in sections 201 and 202.

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

(i) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget;

(ii) 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

(iii) the budgetary aggregates as set forth in the appropriate concurrent resolution on the budget.

(2) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in paragraph (1) shall be—

(A) an amount provided and designated as an emergency requirement pursuant to section 314;

(B) an amount appropriated for military operations in Iraq as provided in section 301; and

(C) an amount provided for transportation under section 303.

(3) APPLICATION OF ADJUSTMENTS.—The adjustments made for legislation pursuant to paragraph (1) shall—

(A) apply while that legislation is under consideration;

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

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

(4) APPLICATION OF THIS SECTION.—The provisions of this section shall apply to legislation providing new budget authority for fiscal years 2003 through 2005.

(d) ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.—(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of this section.

(2)(A) This subsection shall apply only to the House of Representatives.

(B) In order to be cognizable by the Chair, a point of order under this section must specify the precise language on which it is premised.

(C) As disposition of points of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

(D) A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(E) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

### SEC. 314. EMERGENCY LEGISLATION.

(a) AUTHORITY TO DESIGNATE.—If a provision of direct spending or receipts legislation is enacted or if appropriations for discretionary accounts are enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be designated as an emergency requirement for the purpose of this resolution.

(b) DESIGNATIONS.—

(1) GUIDANCE.—If a provision of legislation is designated as an emergency requirement under subsection (a), the committee report and any statement of managers accompanying that legislation shall analyze whether a proposed emergency requirement meets all the criteria in paragraph (2).

(2) CRITERIA.—

(A) IN GENERAL.—The criteria to be considered in determining whether a proposed expenditure or tax change is an emergency requirement are that the expenditure or tax change is—

(i) necessary, essential, or vital (not merely useful or beneficial);

(ii) sudden, quickly coming into being, and not building up over time;

(iii) an urgent, pressing, and compelling need requiring immediate action;

(iv) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(v) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(3) JUSTIFICATION FOR USE OF DESIGNATION.—When an emergency designation is proposed in any bill, joint resolution, or conference report thereon, the committee report and the statement of managers accompanying a conference report, as the case may be, shall provide a written justification of

why the provision meets the criteria set forth in paragraph (2).

(c) DEFINITIONS.—In this section, the terms “direct spending”, “receipts”, and “appropriations for discretionary accounts” means any provision of a bill, joint resolution, amendment, motion or conference report that provides direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(d) SEPARATE HOUSE VOTE ON EMERGENCY DESIGNATION.—(1) In the House, in the consideration of any measure for amendment in the Committee of the Whole containing any emergency spending designation, it shall always be in order unless specifically waived by terms of a rule governing consideration of that measure, to move to strike such emergency spending designation from the portion of the bill then open to amendment.

(2) The Committee on Rules shall include in the report required by clause 1(d) of rule XI (relating to its activities during the Congress) of the Rules of House of Representatives a separate item identifying all waivers of points of order relating to emergency spending designations, listed by bill or joint resolution number and the subject matter of that measure.

(e) COMMITTEE NOTIFICATION OF EMERGENCY LEGISLATION.—Whenever the Committee on Appropriations or any other committee of either House (including a committee of conference) reports any bill or joint resolution that provides budget authority for any emergency, the report accompanying that bill or joint resolution (or the joint explanatory statement of managers in the case of a conference report on any such bill or joint resolution) shall identify all provisions that provide budget authority and the outlays flowing therefrom for such emergency and include a statement of the reasons why such budget authority meets the definition of an emergency pursuant to the guidelines described in subsection (b).

(f) CONFERENCE REPORTS.—If a point of order is sustained under this section against a conference report, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

(g) EXCEPTION FOR DEFENSE AND HOMELAND SECURITY SPENDING.—Subsection (d) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category and for homeland security programs.

### SEC. 315. PAY-AS-YOU-GO POINT OF ORDER IN THE HOUSE.

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the House to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term “applicable time period” means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term “direct-spending legislation” means any bill, joint resolution, amendment, or conference report that affects direct spending as that term is

defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) **EXCLUSION.**—For purposes of this subsection, the terms “direct-spending legislation” and “revenue legislation” do not include—

(A) any concurrent resolution on the budget;

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990; or

(C) any legislation for which an adjustment is made under section 301.

(5) **BASLINE.**—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget as adjusted for any changes in revenues or direct spending assumed by such resolution; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) **PRIOR SURPLUS.**—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) **APPEALS.**—Appeals in the House from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be.

(c) **DETERMINATION OF BUDGET LEVELS.**—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House.

(d) **ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.**—(1) It shall not be in order in the House of Representatives to consider a rule or order that waives the application of this section.

(2)(A) This subsection shall apply only to the House of Representatives.

(B) In order to be cognizable by the Chair, a point of order under this section must specify the precise language on which it is premised.

(C) As disposition of points of order under this section, the Chair shall put the question of consideration with respect to the proposition that is the subject of the points of order.

(D) A question of consideration under this section shall be debatable for 10 minutes by each Member initiating a point of order and for 10 minutes by an opponent on each point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(E) The disposition of the question of consideration under this subsection with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

(e) **SUNSET.**—This section shall expire on September 30, 2009.

#### SEC. 316. DISCLOSURE OF EFFECT OF LEGISLATION ON THE PUBLIC DEBT.

Each report of a committee of the House on a public bill or public joint resolution shall contain an estimate by the committee of the amount the public debt would be increased (including related debt service costs) in carrying out the bill or joint resolution in the fiscal year in which it is reported and in the 5-fiscal year period beginning with such fiscal year (or for the authorized duration of any program authorized by the bill or joint resolution if less than five years).

#### SEC. 317. DISCLOSURE OF INTEREST COSTS.

Whenever a committee of either House of Congress reports to its House legislation providing new budget authority or providing an increase or decrease in revenues or tax expenditures, the report accompanying that bill or joint resolution shall contain a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such measure for such fiscal year (or fiscal years) and each of the 4 ensuing fiscal years.

#### SEC. 318. DYNAMIC SCORING OF TAX LEGISLATION.

Any report of the Committee on Ways and Means of the House of any bill or joint resolution reported by that committee that proposes to amend the Internal Revenue Code of 1986 and which report includes an estimate prepared by the Joint Committee on Internal Revenue Taxation pursuant to clause 2(h)(2) of the Rules of the House of Representatives shall also contain an estimate prepared by the Congressional Budget Office regarding the macroeconomic effect of any increase or decrease in the estimated budget deficit resulting from such bill or joint resolution.

#### SEC. 319. RESTRICTIONS ON ADVANCE APPROPRIATIONS.

(a) **IN GENERAL.**—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) **LIMITATION.**—In the House, an advance appropriation may be provided for fiscal year 2006 or 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$23,568,000,000 in new budget authority.

(c) **DEFINITION.**—In this subsection, the term “advance appropriation” means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

#### Subtitle C—Increase in Debt Limit Continuing Upon Plan To Restore Balanced Budget.

#### SEC. 321. INCREASE IN DEBT LIMIT.

(a) **TEMPORARY INCREASE IN STATUTORY DEBT LIMIT.**—The Committee on Ways and Means of the House shall report a bill as soon as practicable, but not later than June 30, 2004, that consists solely of changes in laws within its jurisdiction to increase the statutory debt limit by \$150,000,000,000.

(b) **POINT OF ORDER.**—(1) Except as provided by subsection (a) or paragraph (2), it shall not be in order in the House to consider any bill, joint resolution, amendment, or conference report that includes any provision that increases the limit on the public debt by more than \$100,000,000,000.

(2) Paragraph (1) shall not apply in the House if—

(A) the chairman of the Committee on the Budget of the House has made the certification described in section 322 that the unified budget will be in balance by fiscal year 2012; or

(B) the President has submitted to Congress a declaration that such increase is necessary to finance costs of a military conflict or address an imminent threat to national security, but which shall not exceed the amount of the adjustment under section 301 for the costs of military operations in Iraq.

#### SEC. 322. REVIEW OF BUDGET OUTLOOK.

(a) **IN GENERAL.**—If, in the report released pursuant to section 202 of the Congressional Budget Act of 1974, entitled the Budget and Economic Outlook Update (for fiscal years 2005 through 2014), the Director of the Congressional Budget Office projects that the unified budget of the United States for fiscal year 2012 will be in balance, then the chairman of the Committee on the Budget of the House is authorized to certify that the budget is projected to meet the goals of a balanced budget.

(b) **CALCULATING DISCRETIONARY SPENDING BASELINE.**—Notwithstanding any other provision of law, the Director of the Congressional Budget Office shall use the discretionary spending levels set forth in this resolution, including any adjustments to such levels as a result of the implementation of any reserve funds set forth in this resolution to calculate the discretionary spending baseline.

#### TITLE IV—SENSE OF CONGRESS AND SENSE OF HOUSE PROVISIONS

#### SEC. 401. SENSE OF CONGRESS REGARDING BUDGET ENFORCEMENT.

It is the sense of Congress that legislation should be enacted enforcing this resolution by—

(1) setting discretionary spending limits for budget authority and outlays at the levels set forth in this resolution for each of the next 3 fiscal years;

(2) reinstating the pay-as-you-go rules set forth in section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 for the next 5 fiscal years;

(3) requiring separate votes to exceed such discretionary spending limits or to waive such pay-as-you-go rules;

(4) establishing a definition for emergency spending and requiring a justification for emergency spending requests and legislation; and

(5) establishing expedited rescission authority regarding congressional votes on rescission submitted by the President and reducing discretionary spending limits to reflect savings from any rescissions enacted into law.

#### SEC. 402. SENSE OF CONGRESS ON TAX REFORM.

It is the sense of Congress that the Committee on Ways and Means should—

(1) work with the Secretary of the Treasury to draft legislation reforming the Internal Revenue Code of 1986 in a revenue-neutral manner to improve savings and investment; and

(2) consider changes that address the treatment of dividends and retirement savings, corporate tax avoidance, and simplification of the tax laws.

#### SEC. 403. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the

Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

**SEC. 404. SENSE OF CONGRESS REGARDING PREVIOUSLY ENACTED TAX LEGISLATION.**

(a) FINDINGS.—The Congress finds the following:

(1) H. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2004 provided that revenues would be \$1.883 trillion in fiscal year 2004 after enactment of the tax cut legislation provided for in the resolution.

(2) Many advocates of the tax cut argued that revenues would actually be much higher because the tax cuts would stimulate growth and produce a surge in revenues.

(3) The Congressional Budget Office estimated in "An Analysis of the President's Budgetary Proposals for Fiscal Year 2005" that revenues would be \$1.782 trillion in 2004, \$100 billion lower than promised when the tax cuts were enacted.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Congress should enact legislation to review the impact of enacted tax cut legislation on total revenues; and

(2) such legislation should establish revenue targets equal to total revenue levels established in the concurrent resolution on the budget for fiscal year 2004; and that if total revenues fall below the targets, the President would be required to propose legislation to offset the revenue shortfall through spending reductions or increased revenues or explicitly authorize an increase in the debt limit by the amount of the shortfall and that Congress would be required to consider vote on the President's proposal under an expedited process.

**SEC. 405. SENSE OF CONGRESS REGARDING A TRIGGER MECHANISM FOR COSTS OF PRESCRIPTION DRUG LEGISLATION.**

(a) FINDINGS.—The Congress finds the following:

(1) The cost of the new Medicare law, estimated by the Congressional Budget Office before its passage to be \$395,000,000,000 over ten years, has now been estimated by the Department of Health and Human Services to be \$534,000,000,000 over ten years.

(2) Without taking steps to control the cost of prescription drugs, the Medicare law will become an unsustainable burden on the Government and on taxpayers. In addition, rising drug costs could end up shifting additional cost burdens to Medicare beneficiaries.

(3) The Congressional Budget Office and the Department of Human Services have estimated that the reforms enacted as part of Medicare legislation increasing participation of private plans in the Medicare program would increase the costs of the Medicare program.

(4) Prescription drug costs increased 15.3 percent in 2003. These rising costs are one of the primary drivers of increasing health care costs, which ran at 9.3 percent last year.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) legislation should be adopted which would establish a trigger mechanism to reduce costs of Medicare prescription drug legislation through negotiation of prescription drug prices by the Secretary of Health and Human Services and other changes to Medicare prescription drug legislation recommended by the President;

(2) this legislation would mandate that at any point when the expected ten-year expenditures for fiscal years 2004 through 2013 for Public Law 108-173 exceed the Congressional Budget Office estimate for this legislation, the Secretary of Health and Human Services would be required to immediately enter into direct negotiations with pharmaceutical manufacturers for competitive drug prices; and

(3) this legislation would further provide that if the Secretary is unable to negotiate reductions in prescription drug prices sufficient to reduce estimated ten year expenditures for Public Law 108-174 by the amount these costs exceed the Congressional Budget Office estimates for this legislation when it was enacted the President would be required to submit to Congress legislative changes to eliminate this excess and Congress would be required to consider this proposal under an expedited process.

**SEC. 406. SENSE OF CONGRESS REGARDING RESPONSIBLE FUNDING FOR ADDITIONAL MILITARY END STRENGTH.**

It is the sense of the Congress that the aggregates and function levels in this resolution for major functional category 050 (Defense), excluding any supplemental appropriations under section 301 for military operations in Iraq and Afghanistan, assumes funding in the Military Personnel accounts for the costs of approximately 10,000 additional military personnel exceeding the normal strength levels either to provide forces deployed for military operations or to sustain the readiness levels of deploying units.

**SEC. 407. SENSE OF THE HOUSE REGARDING FUNDING FOR THE MANUFACTURING EXTENSION PARTNERSHIP.**

(a) FINDINGS.—The House finds that—

(1) the Manufacturing Extension Partnership, which is jointly funded by Federal and State Governments and private entities, improves small manufacturers' competitiveness, creates jobs, increases economic activity, and generates a \$4-to-\$1 return on investment to the Treasury by aiding small businesses traditionally underserved by the business consulting market;

(2) in a January 2004 Department of Commerce report titled Manufacturing In America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers, the Administration stated that "...the Manufacturing Extension Partnership (MEP) has provided many small U.S. manufacturers with useful business services to become more competitive and productive," a conclusion in which the Congress concurs;

(3) the Congress appropriated \$106 million for the Manufacturing Extension Partnership for 2003 but only \$39 million for 2004, and the President's 2005 budget maintains this drastically reduced funding level, undermining the ability of the Manufacturing Extension Partnership to fulfill its mission of helping small businesses to adopt advanced manufacturing technologies and practices that will help them compete in a global market; and

(4) Federal funding for the Manufacturing Extension Partnership should be restored to its pre-2004 level, adjusted for inflation.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution provides a total of \$110 million for the Manufacturing Extension

Partnership for 2005, \$71 million more than the President's request, and supports adequate funding throughout the period covered by this resolution; and

(2) this funding restores the viability of the Manufacturing Extension Partnership and provides the necessary resources for the Manufacturing Extension Partnership to continue helping small manufacturers reach their optimal performance and create jobs.

**SEC. 408. SENSE OF THE HOUSE REGARDING THE CONSERVATION SPENDING CATEGORY.**

(a) FINDINGS.—The House finds that—

(1) the 2001 Interior Appropriations Act (Public Law 106-291), which established a separate discretionary spending category for land conservation and natural resource protection programs for the fiscal years 2001 through 2006, passed by large margins in both the House and the Senate; and

(2) in establishing a separate conservation spending category, Congress recognized the chronic underfunding of programs that protect and enhance public lands, wildlife habitats, urban parks, historic and cultural landmarks, and coastal ecosystems.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the any law establishing new caps on discretionary spending should include a separate conservation spending category and that any caps on conservation spending for fiscal years 2005 or 2006 should be set at the levels established in Public Law 106-291.

**SEC. 409. SENSE OF THE HOUSE REGARDING THE OUACHITA-BLACK NAVIGATION PROJECT.**

(a) FINDINGS.—The House finds that—

(1) the Ouachita-Black Navigation Project was authorized by the River and Harbor Act of 1950 and modified by the River and Harbor Act of 1960; and

(2) a 382-mile navigation channel on the Red, Black and Ouachita Rivers was created requiring annual dredging to ensure the river's channel depth is maintained at the nine feet needed for commercial use; and

(3) if adequate annual funding is not provided to the Corps of Engineers and others, the project will not be able to function, undercutting commerce and revitalization in the area served by the project, and resulting in the loss of hundreds of jobs that are dependent on barge traffic.

(b) SENSE OF THE HOUSE.—It is the sense of the House that full funding should be provided for the Ouachita-Black Navigation Project in 2005 and beyond, notwithstanding the ton-mileage of barge traffic using the project.

**SEC. 410. SENSE OF THE HOUSE ON TAX SIMPLIFICATION AND TAX FAIRNESS.**

It is the sense of the House that—

(1) the current tax system has been made increasingly complex and unfair to the detriment of the vast majority of working Americans;

(2) constant change and manipulation of the tax code have adverse effects on taxpayers' understanding and trust in the Nation's tax laws;

(3) these increases in complexity and clarity have made compliance more challenging for the average taxpayer and small business owner, especially the self-employed; and

(4) this budget resolution contemplates a comprehensive review of recent changes in the tax code, leading to future action to reduce the tax burden and compliance burden for middle-income workers and their families in the context of tax reform that makes the Federal tax code simpler and fairer to all taxpayers.

**SEC. 411. SENSE OF THE HOUSE ON LIHEAP.**

(a) FINDINGS.—The House finds that—

(1) the United States is in the grip of pervasively higher home energy prices;

(2) high natural gas, heating oil, and propane prices are, in general, having an effect that is rippling through the United States economy and are, in particular, impacting home energy bills;

(3) while persons in many sectors can adapt to natural gas, heating oil, and propane price increases, persons in some sectors simply cannot;

(4) elderly and disabled citizens who are living on fixed incomes, the working poor, and other low-income individuals face hardships wrought by high home energy prices;

(5) the energy burden for persons among the working poor often exceeds percent of those persons' incomes under normal conditions;

(6) under current circumstances, home energy prices are unnaturally high, and these are not normal circumstances;

(7) while critically important and encouraged, State energy assistance and charitable assistance funds have been overwhelmed by the crisis caused by the high home energy prices;

(8) the Federal Low-Income Home Energy Assistance Program (referred to in this section as "LIHEAP") and the companion weatherization assistance program (referred to in this section as "WAP"), are the Federal Government's primary means to assist eligible low-income individuals in the United States to shoulder the burdens caused by their home cooling and heating needs;

(9) in 2003, LIHEAP reached only 15 percent of the persons in the United States who were eligible for assistance under the program;

(10) since LIHEAP's inception, its inflation-adjusted buying power has eroded by 58 percent; and

(11) current Federal funding for LIHEAP is not sufficient to meet the cooling and heating needs of low-income families.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the levels in this concurrent resolution assume—

(1) an authorization of \$3,400,000,000 for each of fiscal years 2005 and 2006 to carry out the LIHEAP program;

(2) an authorization of \$400,000,000 for fiscal year 2005 and \$500,000,000 for fiscal year 2006 to carry out the WAP program;

(3) appropriations, for these programs, of sufficient additional funds to realistically address the cooling and heating needs of low-income families;

(4) advance appropriations of the necessary funds to ensure the smooth operation of the programs during times of peak demand.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Texas (Mr. STENHOLM) and the gentleman from Iowa (Mr. NUSSLE) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

The Blue Dog budget that we offer at this time is designed and based entirely on the simple philosophy that when you find yourself in a hole, the first rule is to quit digging.

Our country has a massive problem with fiscal deficits today. Our budget is built around the simple concept of pay as you go. If we want to pass a tax cut, cut spending to make room for it or raise some other tax to keep it from going to the bottom-line deficit.

In other words, we are suggesting taking the shovels away from Congress and the President. Our plan would cut

the deficit in half in 2 years and put the budget on a path back towards budget surpluses in 2012 and balance in 2010. Our budget has \$210 billion less debt over the next 5 years than the resolution reported by the Committee on the Budget.

The Blue Dog budget includes the pay-as-you-go rules that were adopted by a bipartisan vote in the Senate, as well as enforceable limits on discretionary spending. The Blue Dog budget adopts the tough spending limits by adopting the President's overall spending levels, but reallocates funding to put more resources into veterans, education, health care, and other priorities, and keeps from reopening the farm bill and also providing assistance to small businesses, manufacturers, firemen and policemen, the first responders in the war on terrorism.

We strongly support the President in the war on terrorism. Our budget provides the President with everything he requested for defense and homeland security and sets aside a reserve fund for additional funding for the military operations in Iraq and Afghanistan, as we did last year.

Our budget provides tax relief for all taxpayers by extending the expansion of the 10 percent bracket, the marriage penalty relief, and the child tax credit. We also provide for immediate and permanent estate tax relief for small businesses, family farms and ranches. We offset the costs of extending tax relief, pay as you go, for middle-income families and pay for the cost of military operations in Iraq and Afghanistan by asking those with incomes over \$200,000 to have a little less of a tax cut until the costs of the war are paid and the budget is put back on a path towards balance.

Most importantly, our budget would reduce the debt tax that all American families, as well as our children and grandchildren would have to pay, in order to pay interest on our national debt.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is interesting that the title of this budget is When You Are in a Hole, Stop Digging. Yes, they need to stop digging, stop digging in the pockets of families and small businesses and farmers and ranchers. They are digging and digging for more and more and more taxes. More taxes from farmers, more taxes from ranchers, more taxes from families, more taxes from married couples, more taxes that kill jobs and make it impossible for our economy to get back on its feet. When you are in a hole, stopping digging in the American people's pockets and start reducing spending around Washington which is wasteful.

This budget presented today raises taxes at a time when small businesses can least afford it. Ninety percent of small businesses pay at the individual rates. More than 80 percent in the in-

crease in taxes for the top rate that they speak of will be borne by small businesses. Small businesses represent more than 99 percent of all employers, and they employ more than half of the private workforce.

When you are in a hole, stop digging in my pockets and pass the Republican plan that does not raise taxes.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 5 seconds.

Mr. Chairman, I would just say to the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, only 2 percent of the small businesses are affected by the tremendous rhetoric that the gentleman from Iowa just put forward on taxes.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Chairman, I thank the gentleman for yielding me this time.

As we heard the gentleman from Texas say, the Blue Dog budget is not just a responsible budget, it is an honest budget. It matches the President's overall spending levels, it extends tax relief for our middle-class families, and most important, it pays for that tax relief.

The Blue Dog budget includes the strongest budget enforcement mechanisms of any budget being debated here today. It extends the pay-as-you-go rules to both the spending side and the revenue side. To be clear, neither the Republican budget nor their alternative being offered by the Republican Study Committee does that.

Republicans rejected the PAYGO amendment in the Committee on the Budget on a strict party-line vote. They rejected the amendment in the Committee on Rules on a strict party-line vote, and they have refused to put the PAYGO provisions in their budget.

We expect our constituents to pay their bills, and I do not know why some folks here in Congress think we should be exempt from that standard. Our constituents did not send us here to play games with their tax dollars and play games with the budget. They sent us here to balance the budget.

Vote for the Blue Dog budget. It is strong on enforcement and responsible on spending and revenue.

□ 1315

Mr. NUSSLE. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDI), a member of the committee.

Mr. TANCREDI. Mr. Chairman, there are opportunities sometimes provided for bipartisanship in this House and one looks for them because frankly they do not happen all that often it seems like. And so I looked at the Blue Dog budget with the hope that in fact there would be that opportunity to do something in a bipartisan way here that I could support it, and quite frankly there were things that I liked

when I looked into it. I liked the fact that it assumes permanent estate tax relief for families with farms and small businesses, a good idea. I liked the PAYGO provision, a good idea. Establishing a point of order against legislation with costs that begin outside the budget window, a great idea. I went through it thinking this is going to be good. I can support this piece of legislation.

But then, of course, you come to those parts that make all of this simply unsupportable and that is the fact that you get to the part where you see it raises taxes. It raises taxes that were enacted in 2001; it eliminates those tax cuts until 2010. It applies significant hurdles that could prevent us from making the current tax cuts permanent. This could cripple our economy and our economic recovery. It establishes various slush funds in order to increase government spending in education programs, in law enforcement, in health insurance; and it is presented as a truthful budget. But there is no reference to these slush funds that exist in this budget. That is not being truthful with the American public. It increases taxes on small business which is, of course, the engine that drives our economy.

And so I say, Mr. Chairman, it is impossible for me to support this budget although I looked longingly at doing so, the desire to do so; but it all comes to naught when you raise taxes on the American public. That puts us into a different situation entirely, and it stops the engine of recovery that I believe is under way.

Mr. STENHOLM. Mr. Chairman, I yield myself 10 seconds to respond to my friend. I was getting my hopes up because he gave all the reasons why he should support the budget; but the idea of a slush fund, it is the same thing that is in the majority Budget Committee's report that comes before the House. We only say you can spend more if you pay for it.

Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. I thank the gentleman for yielding me this time.

Mr. Chairman, I, too, would like to respond to some of the comments that have been made. I am very appreciative of all the positive attributes the gentleman has recognized in the Blue Dog budget. Particularly of significance is the fact that we would apply PAYGO provisions not only to spending measures but to revenue measures as well. Any budget resolution that fails to do so simply lacks any meaningful enforcement mechanism.

Opposition has been raised that this measure raises taxes. The fact of the matter is that the majority resolution raises taxes. It simply raises taxes on our children, on my 5-year-old and my 1-year-old. They are going to pay more taxes because of the majority resolution. It raises the debt tax that all of us pay. A tax cut that is not paid for,

and the majority resolution does not pay for its tax cuts, is no tax cut at all. It is merely a deferral to our children.

Mr. Chairman, just 3 years ago, the state of our economy was very strong. We had seen 20 million new jobs created, we had seen the fastest growth in 30 years, the lowest unemployment in 30 years, the lowest poverty rates in 20 years, and the first back-to-back surpluses in 42 years. But now we are in a very different place. We have lost 2.2 million jobs in the last 3 years and, despite a rise in the stock market and productivity gains, there are no new jobs. This result was not unforeseeable. The members of the Blue Dog Coalition warned we were spending money that we did not have, that the administration lacked an economic plan, and that tax cuts alone were not a substitute for an economic plan. At the same time, Congress voted to increase the national debt. These ill advised economic decisions have led to the largest deficits in the Nation's history with no plan in sight to put our fiscal house in order. It is time for us to put our fiscal house in order.

I rise today to urge my colleagues to support the Blue Dog budget, a package that combines the spending restraint in the administration's budget with strong budget enforcement measures and responsible tax policy to reduce the deficit and balance the budget by 2012.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute just to say there has been some discussion here on the floor about how honest this budget is. Let me just point out, we are having a chance to read this thing and it cuts Medicare. Maybe I am missing something, but we are actually going to ask people to vote to cut Medicare. Not only do you cut Medicare, a \$156 billion cut to Medicare, but I have read your budget and there is no reconciliation instruction in here on how to cut Medicare or even if you are going to cut Medicare. No reconciliation, just a plugged number in here of \$156 billion.

They are advertising that their budget somehow reduces the deficit more. It does not reduce the deficit more. They have got plugged numbers in this budget. Somebody has rushed this budget to the floor with plugged numbers. If you are in a hole, stop digging, huh? Well, you better have a real shovel and not just try and fill it in with fantasy. \$156 billion of Medicare cuts. I want you to go home and explain to your seniors that issue.

Mr. STENHOLM. Mr. Chairman, that is a total misrepresentation of our budget and the gentleman knows it.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time. I think it is pretty clear that when you look at the Blue Dog budget and compare it to the Republican budget, the Blue Dog budget moves us to a balanced budget in 8

years. The Republican budget does not. In fact, the Republican budget makes no effort to move us toward a balanced budget. It is really hard to comprehend that next fiscal year we are projected to have a \$521 billion deficit. That means under the Republican game plan, of those 13 appropriations bills that we are going to pass to run the government for the next year, 60 percent is going to be borrowed money. How we can ask this Congress or the American people to accept a Republican budget that does not move us toward balance is hard to comprehend. The Blue Dog budget will balance in 2012. The Blue Dog budget does that by making the difficult choices that this Congress and the American people expect the Congress to make.

When we look at where the Republican budget puts its priorities, we see very clearly that the Republican budget, in an effort to try to present something to the House that will provide some framework for the appropriations process, provides cuts in critical areas of homeland security. The Blue Dog budget does not cut homeland security. The Blue Dog budget maintains what the President has requested. Yet the Republicans' own budget cuts below the President's budget for homeland security at a time when we all know we are under serious threat of another al Qaeda terrorist attack.

When we look at the Blue Dog budget, we have an alternative that I hope will be appealing to the Republicans. I hope that some of them will join with us. It is a responsible plan, it should be a bipartisan plan, and we offer it to them with the best intention of moving away from the terrible deficits that the Republicans have offered us in recent years.

Mr. STENHOLM. Mr. Chairman, I yield myself 15 seconds to respond to the chairman. The cuts in Medicare that he mentioned are the advertising dollars that are being spent to justify the Medicare prescription drug bill that I was told by the same chairman and the Budget Committee was going to cost \$400 billion. I was misled as everyone else in this body was misled because the cost was \$530 billion. That is the cuts we are proposing. You do not need to advertise false numbers, Mr. Chairman.

Mr. Chairman, I yield 2 minutes to the gentleman from Hawaii (Mr. CASE).

Mr. CASE. Mr. Chairman, this is a message to a group of my colleagues that I cannot find: moderate, fiscally responsible Republicans, colleagues whose views on our national budget, on fiscal integrity, on responsibility to our children are really no different from my own or the formers of this substitute. I know you are here. I have talked to you in the halls, on the floor, out on the road. I know that well over half of the people that we represent in this country think as we do and they are not all Democrats. I know that of the five budget alternatives on the floor today for us to choose from, this

one represents your own views going away. I know you are outraged at the fact that this budget that this chair has put forward only goes out 5 years. I know you would never adopt a one-way PAYGO in your home or business. I know you are sick at a budget that strips resources away from veterans, education, health care and piles it with those that do not want for anything in our country.

So here is my message to you: vote for this substitute. Vote for it because you know it is far and away the most responsible, affordable, balanced, fair and sustainable budget that is on the floor. Do not make this a partisan issue. Do not make it that. I would vote for a comparable substitute coming out of you. Yet all you and I are given from your side today are two budgets, one principal one that is nothing more than a lie and the other one that may be a little bit more honest but demonstrates a fundamental hatred of our Federal Government that neither of us shares. So vote for this budget substitute not just because it is the right thing to do but because with your vote, you can change the course of our fiscal future.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute, just continuing to look at this interesting budget. The gentleman from Texas says that he is concerned about the numbers being more expensive for Medicare. How come, then, they adopted the CBO baseline? If they think the actuaries at OMB are so correct, why did they not have the integrity to put that into their baseline? Again, they accept CBO. We accept CBO, but they come to the floor, and they demagogue the issue and they say that OMB is wrong and that the actuary is somehow correct. Then have the guts to put it in here. Do not raise taxes on the American people. Cut Medicare which they do in this instance. And now we find that they also cut national defense, \$2 billion this year alone. National defense is cut. Where are they going to come up with \$2 billion in national defense this year? Where are they going to find that? There are troops in the field right now who need our support, and they are asking for \$2 billion this year. We have got to find some more details before somebody can claim that this has the integrity and the honesty to come before us as a budget.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. I thank the gentleman for yielding time.

Mr. Chairman, let us balance our budget. Let us pay as we go. Let us pay off our debt and pay off the deficit. Let us support the Blue Dog budget. Following the plan offered by the House Republican leadership will succeed in balancing the budget by balancing it on our Nation's senior citizens, the veterans, the students, the farmers, the teachers, the economically disadvantaged. How in the world can the major-

ity propose spending cuts in veterans health care during a time of war? And the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, Paralyzed Veterans of America, and virtually every national veterans service group shares my amazement.

The Blue Dog substitute will cut the record deficit in half in 2 years, not the 5 proposed by the Republican leadership and balance the Federal budget by 2012 without relying on the Social Security surplus and without sacrificing our Nation's veterans and seniors. At the same time, the Blue Dogs provide both immediate and long-term tax relief to middle-class American taxpayers, small businesses, and family farmers. This tax relief consists largely of an acceleration of cuts already scheduled under current law.

We need to pay for our war effort. We need to take care of our veterans, and we need to be honest in our budgeting and make sure we budget for the war effort. The Republican budget does not budget one dime for the war. That is the reason it is a trick. Let us pay as we go. Let us balance this budget.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds to just say, put your money where your mouth is. Your budget does not balance. You say balance the budget, but you do not balance the budget. So it is one thing to say balance the budget, and it is another thing to come to the floor without a balanced budget. So you say one thing, and unfortunately the budget says just another.

Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. GARRETT), a member of the committee.

□ 1330

Mr. GARRETT of New Jersey. Mr. Chairman, the real issue here is who pays and who is hurt? Americans at home are looking for fiscal responsibility from this House. Whether they are taxpayers, workers, whether they are people that are relying on essential services from this government, they are looking for this House to provide them with some degree of fiscal responsibility.

As I said just last night, we come into this budget process knowing that we are in dire financial straits with a \$521 billion budget deficit, which simply means, as I said before, we are spending out \$521 billion more than we are taking in.

And how does this Blue Dog budget address that? Well, they certainly do not address it by trying to rein in spending because look at the spending side of the equation. They are actually saying that even though they are in a hole, they want to stop digging. They are not stopping digging at all. They are still digging. They are spending more. They are spending upwards of \$2 billion more in the 2005 budget.

So where is it on the other side that they want to get to the balanced budget that they speak of? They do it by

raising taxes to the tune of \$10 billion in the 2005 budget alone. Back in my State of New Jersey, \$10 billion when I was in State government, that would pay for almost half of our entire State budget for the year.

They go even further. They want to raise taxes by almost \$200 billion over the life of this budget. So it comes back to the question again, who pays, who is hurt?

We have already heard that 90 percent of small business pay taxes at the individual tax rate and that more than 80 percent of an increase in taxes for the top tax rate would be borne by small businesses. What does that mean? That means that the tax increases that they are talking about in the Blue Dog budget will impact upon Main Street USA, on small businesses, on small manufacturers, on farmers. Those same manufacturers that we debate in this House over and over again that are already having a hard time competing overseas with manufacturing and production are now going to have, under the Blue Dog budget, to see their taxes go up.

So who pays? Small businesses, mom and pops, farmers.

And, finally, who is hurt by this budget? Besides those people, who is hurt by this budget are all those people who work for small businesses, mom and pops, farmers. The workers out there in America, lost jobs, the family. Who pays? Small businesses. Who is hurt? The workers of America and families.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER of Texas. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to point out to the distinguished chairman of the Budget Committee that the Blue Dog budget does balance, contrary to his comment earlier, and I think he was challenging my colleague from Texas to lay out a balanced budget, I guess, for next year. It must have been what he was referring to.

But here is our chart. We balance in 2012, 8 years from now. Under the chairman's 5-year budget plan, they do not balance and apparently have no plans to balance. So here is the chart.

The Blue Dog budget is in blue, and we balance in 2012. The chairman's plan does not balance, and apparently there is no plan by which it will balance.

And I also want to correct another statement the distinguished chairman made, and that is the allegation that the Blue Dogs cut defense. We do not cut defense. We maintain the President's numbers on defense. And in fact, if there is any criticism due here, it should be on the chairman's budget when they cut homeland security \$800 billion below what the President recommended. We happen to think that it is important to pursue the war on terror both at home and abroad, and in

our budget we stay with the recommendations of the President on that issue.

Mr. NUSSLE. Mr. Chairman, I yield myself 15 seconds.

I have got the figures right here, and there is a cut in defense of \$2 billion in this year. I would suggest you need to read your own budget because there is a cut in defense, and I say that as respectfully as I can. I believe we can find savings in defense, but please do not come here advertising there are no cuts in defense when you put in this first year alone cuts in defense.

So those are the facts, and I believe that again you have got to look at your advertisements meeting the reality of the budget itself.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 2½ minutes.

I yield to the chairman for a simple request. Does the Blue Dog budget reduce the deficit more than the chairman's budget? Yes or no?

I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Chairman, I do not need the time. I have got my own time.

Mr. STENHOLM. Okay, Mr. Chairman. He does not want to respond. I was just asking him because I really dislike the kind of rejoinders that we are getting into now because it is "he said, you said, I said," and it means nothing.

But since we are into this now, let me talk about the chairman's budget as it affects agriculture, both in mandatory and discretionary spending. And this is not about agriculture not being willing to take our share of the cuts, as the gentleman from Connecticut said yesterday. Agriculture has always been fiscally responsible and will continue to be. However, the Chairman's budget will result in a disproportionate amount of cuts from agriculture.

Keep in mind that in order to keep agriculture at last year's spending level, the appropriators will have to cut \$650 million out of the farm bill as they did in the fiscal year 2004 appropriation. If we assume that in the chairman's budget the discretionary cuts will be proportionately divided among the appropriation bills, then this number will rise another \$1.6 billion. That is correct. That is the chairman's budget.

And I want to ask my colleagues on the other side of the aisle to read their own budget, what they are being asked to support today and how it is going to affect rural districts in conservation, water issues, rural development, environmental issues, research, because this is real.

And I commend the chairman because he honestly and sincerely is trying to do what his party has asked him to do. And it is real. His budget is real in what he proposes to do, including increasing the deficit \$260 billion over the next 5 years. That is real. But he does it openly and honestly as he is defining it.

What I resent is his defining our budget as not being honest. His is honest. His will reopen the farm bill. Reopening the farm bill, which is what we will do under the reconciliation instructions that, if his budget passes, it will occur. And there are some on that side of the aisle and some on this side of the aisle that might want to do that. But I do not think a majority of this body want to go down that path.

So we want to talk about numbers, and we want to go through the little game we have been playing. Let us go through that little game.

This is not a game. In the agriculture function, this is real. The chairman is honest in bringing it to the floor and saying, this is what we will do if we pass their budget. Think about that before voting for this budget on final passage. Vote for the Blue Dog budget. It avoids that kind of a problem.

Mr. NUSSLE. Mr. Chairman, I yield myself 2½ minutes.

First and foremost, let me say to the gentleman who is the ranking member of the Committee on Agriculture, the choice will be the Committee on Agriculture's choice on where to find those savings, and I doubt seriously that the gentleman from Texas is going to be promoting opening up the farm bill. At least I would hope that he does not. That is not what the gentleman from Virginia, the chairman of the Committee on Agriculture, is suggesting.

I would hope that the gentleman from Texas does not believe that we should open up the farm bill. There is certainly no one on this side of the aisle, or I should not say no one, but there is certainly no one who I am aware of who wants to open up the farm bill at this time. That is not where the savings would come from. So I hope the gentleman would allow his own committee to work its will and to work within that committee process.

He asks us to respect the committee process on the one hand, and yet he predisposes that on the other. And I have to tell the Members I do not believe the farm bill is where we ought to be looking.

Second of all, you cannot have your cake and eat it too. You cannot say on the one hand, we are going to raise taxes on the job creators, the small businesses, the farmers, the ranchers, we are going to raise taxes on those people, and accept the economic assumptions that the economy is going to continue to grow.

You are saying on the one hand, we are going to kill jobs, we are going to tax small business, we are going to tax farmers; and on the other hand, do not worry about the economy, it is going to continue to grow at the same baseline amount. So you accept our numbers on the economy, which are derived, in part, from the fact that the tax cuts are working and the economy, the last 6 months at least, has had the strongest growth in 20 years.

You are accepting all the good news. You are accepting all the cake. But

you cannot at the same time say, oh, no, but we are going to raise taxes on those same people who are creating the jobs, who are providing all that economic development, who are helping to make sure that the economy is growing, who are spending their money, who are being productive; we are going to tax them, and we are going to accept the economic growth. You cannot have it on the one side and then take it back on the other.

So you need to change your economic factors if you are going to come to the floor with a budget that you are going to at least purport. That answers the question.

The very distinguished gentleman from Texas asked me a question. He said, Are our deficit numbers better or worse? The issue is, we do not know because you accept the good news of the economy that the tax cuts have given us, and yet on the other hand you take away the tax cuts.

So on the one hand you say, oh, yes, our deficits are going to get smaller because the economy is going to improve, because that is the same baseline that you have; and yet on the other hand, you take away the goose that is laying the golden egg, by taxing, by digging deeper into the pockets of the very people who are creating those jobs.

You cannot have it both ways.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself 30 seconds.

The Blue Dog budget assumes that we need a change. The gentleman's budget and economic game plan that he has been so proud of since 2001 has given us the largest deficits in the history of this country. We have borrowed \$1 trillion in the last 2½ years. We are going to borrow another \$1 trillion in the next 1½ years, and yet he comes and says his numbers are better than our numbers.

We simply propose a change, and it ought to be a bipartisan change and it ought to be one that adopts pay-as-you-go so that we get back on a fiscally responsible direction for this country. We thought we had a bipartisan support for that. It passed the Senate in a bipartisan way. What happened in this body?

Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I thank the distinguished gentleman from Texas for yielding me this time, and I appreciate his leadership in this body and throughout the country on this issue.

Mr. Chairman, I was down on the floor the other night. We were talking about this very same thing, the budget, the deficits, the debt, and what we are doing to our children and grandchildren. We had this little fellow down here who looked like Howdy Doody, and he had all the answers. One could just pull the string and get an answer. He knew all about it. We have repeatedly had folks come to the well and

talk about how it is the Democrats' fault. I can tell the Members this: If it was not so serious, this would be hysterically funny. I can only imagine what the comedians that make their living that way would do and will do with this situation.

But it is very serious business. We are doing something to our children and grandchildren that they cannot even protect themselves from. We would not consider doing something like this as far as their nutrition or their health care or their well-being would be concerned, but yet we are willing to put this monumental massive debt and this tax that they cannot repeal on them by borrowing money, money, and more money every day in this country and not being responsible.

The Blue Dogs have proposed that if we cut taxes, fine, let us cut taxes, and at the same time let us cut spending to go with it. Let us be honest with the American people. Let us tell the truth. And that is what we are going to have to do when we finally decide to deal with this problem in a responsible way.

Over and over again, we have asked the other side of the aisle, we have asked the administration, please come and let us work together; and we get those answers "We do not need you." Well, they are right. They are having their way. I wonder if things are going so well, if the current plan that we have been under for 3 years is such a huge success, why are we broke? Why are there no jobs? Why are our children going deeper and deeper into debt?

Mr. NUSSLE. Mr. Chairman, I yield myself such time as I may consume.

Let us just get back to this now. We were talking about the economy and, if this is doing so well, how come we are broke? All right. There are a lot of things that contribute to that.

First and foremost, let me say to my friend from Arkansas, you have not heard me blame the Democrats. I blame Osama bin Laden. I blame a lot of the challenges that we had from the natural downturn in the economy. I blame the dot-com bubble bursting. I blame the corporate scandals. I blame a lot of things. You have not heard me blame the Democrats because, no, you are not in charge.

□ 1345

I am not suggesting you are. Yes, you have stopped a few things from going through the other body. Yes, you have stopped a few things from coming through this body. But, no, I am not suggesting you are in charge.

But now we are talking about a plan to move forward. You want to debate history? You can debate history. Let me show you what we are doing moving forward. As I said, the last 6 months of growth in our economy has been at the fastest pace in 20 years, the fastest pace in 20 years. So when you say, if your plan is so good, where are you going, we are going nowhere but up. In fact, the most recent data that came out today said the economy continued

to grow at 4 percent. That is the first thing, the economy is growing.

What have the tax cuts meant to jobs? All right, unemployment would have been higher without the tax relief package. It was at this point in time right there that we reduced taxes, and, as a result of reducing taxes, look what happened to unemployment. Unemployment went down as a result of the tax relief package from the line that it was on. In fact, we are at a lower point in unemployment than we were when Bill Clinton had his economic challenges back in 1993. We are reducing unemployment. We are getting people back to work. It is in part because of tax relief.

Last, but not least, let me just mention this: 2 million more jobs would have been lost without the tax relief package. Again, looking here, without tax cuts, we were losing jobs at a record pace. 2.1 million jobs have been created as a result of these new tax relief packages that have been put into place. We are creating jobs. The economy is turning around.

Quit blaming tax cuts for all the problems in the world. My goodness, that is not the case. And when you are in a hole, stop digging in the pockets of the American people for more money, more money, more money. Tax and spend, tax and spend. More spending in Washington, more wasteful Washington spending. My goodness, that is not what we need.

People are telling us they spend their money better than we do here in Washington. Let us allow them to do it by keeping the money in their pockets. Let us keep creating jobs; let us keep the economic growth going strong. This is not the time to raise taxes, as the Blue Dog budget does.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just say in the function 050 defense, the gentleman was correct in the spreadsheet that he looked at that in the resolution, we do not cut defense. We had an error in the numbers. We could not cut defense. We adopt the President's numbers on defense. That is the way our resolution states.

We also do not cut Medicare benefits for seniors by one dime. We use the CBO numbers for its prescription drug benefit, and all we say is if it turns out that that cuts, we are using the same numbers that the majority is saying. That is all.

It is factual to say, though, that this will reopen the farm bill, because I know that the gentleman from Virginia (Chairman GOODLATTE) and I recognize that if you are instructed to reconcile \$2.2 billion out of discretionary spending, that is tough to do. What are you going to cut out? The Farm Service Agency, \$1.4 billion? Agricultural research, \$1.2 billion? Conservation spending? Where are you going to go? It will reopen the farm bill. If the ma-

jority succeeds in passing their budget, then we will do so; and it will not be pretty.

Everybody talks about taxes. We have been talking about the debt tax. In 2004, the average family will pay \$4,391 in interest under the game plan that the chairman has just so eloquently defended. I have never heard anyone stand on this floor and defend losing jobs, as he just did. But \$4,391 will go to \$7,000 per year in a debt tax increase, and you cannot repeal that tax.

We have borrowed \$1 trillion in the last 2½ years. We are going to borrow another \$1 trillion in the next year and a half following the game plan that the chairman has eloquently defended at the behest of his leadership in this House.

We respectfully differ on this side of the aisle. We think it is time to quit digging. The budget plan that you have before you will not do it. The only one that will do that on the floor of the House today is the Blue Dog plan, and perhaps the Democratic alternative.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first and foremost, let me say to my friend from Texas and all of the members of the caucus that I respect the fact that they put together a plan. I should have opened with that. It maybe would have helped take away some of the sting of the opposition that I have, because, as the gentleman knows, it is not easy to put together a plan. The fact that people are willing to put their plan on paper and let everybody see it and let everybody pick it apart, as I am trying to do and others will probably do to me and have been doing, I respect that. But I strongly oppose what the gentleman is offering, and I also strongly oppose some of the advertisement that the gentleman is offering.

The gentleman says, you know, when you are in a hole, stop digging. He is right. When you are in a hole, you ought to stop digging. Digging to me is spending. That is what is digging our hole deeper.

Unfortunately, what the Blue Dog budget does, it does not throw away the shovels. It keeps spending. It keeps growing. It keeps wasting money in Washington.

The gentleman said that we would have to open up the farm bill. First and foremost, we are not going to open up the farm bill. The gentleman knows that. That is a signal to the farmers out there, I have a few in Iowa, he has a number in Texas, that maybe they ought to start worrying about that. Maybe it is a code word to let them know they ought to start calling in and worrying about the farm bill. We are not looking at the farm bill.

Let me tell you what we are looking at. The Agriculture Department testified before the gentleman's committee, the Committee on Agriculture, as well as my committee, that they were proud of the fact that the error rate in food

stamps has gotten down to a fabulous level of 9 percent, meaning 9 cents on the dollar, or almost one dime out of every dollar, is wasted, is abused, goes to the wrong people, is used in an underground market or used as an underground currency, as has been testified. Nine percent is wasted.

All we are asking for is we are saying would you please look around your jurisdiction for some of this waste? It is unconscionable that we have people in this country that are starving, that are going hungry, that are going without food in their belly at a time when we have economic challenges; and the Agriculture Department under President Clinton, and it continues today, was wasting money.

Now, guess what? Do you know why they are proud of the fact it is only 9 percent? Because the error rate is down from 18 percent. They are proud of the fact that we are only wasting now 9 cents on the dollar, instead of 18 cents on the dollar. They are proud of that.

Only in Washington would you be proud of the fact that you are wasting 9 cents on the dollar. That is the only place in the world. There is not a small business in Iowa or anywhere across the country that would be proud of 9 cents of waste on every dollar that they have to deal with in their business. In fact, there is not a small businessman or -woman in this country who would not lock the door at five o'clock and spend the rest of the night, if they had to to figure out where that 9 cents went and why it was being wasted. You could just picture them locking the door and looking through every single one of their books to find that 9 cents.

And yet when it is wasted in Washington, it is defended. They say, well, that is good. We are improving; isn't that nice? And what we are saying in our budget is that it is darn time to look for some of this waste in the budget, and the Blue Dog budget does not do that.

The second thing, I just want to talk about tax cuts real quick. Tax cuts did not cause the deficit. There would be deficits without tax cuts.

As you can see from this chart, the taxes are in this blue area right here. But what is driving the budget into deficit is an economy that has been rocked, that has been hit in its gut by a number of issues, everything from 9/11 to the dot-com bubble bursting to corporate scandal, and we have got to get that economy back on its feet. More importantly, we have to get families earning again and creating jobs, along with small businesses.

It would be the wrong time, at a moment in our history when jobs are about to be created, to gut-punch them again, all those small business people, and say, yes, we need a little bit more for Washington. Before you create those jobs, we are going to fund some more of that waste out in Washington, so we need that money, and to do it and not even accomplish a balanced

budget. They raise the taxes, but they do not even get to a balanced budget.

The other thing that I just wanted to say, last, but not least, is on spending. I respect the conservative Democrats, the Blue Dogs. They are probably our last hope when it comes to Members on the other side who have any concern about controlling spending. But they fail to do so in their budget, and it is compounded by such a large history of growth in spending.

This is not a time to increase spending. This is not a time when we need to have growth in government. This is a time to look around the garden and start pulling some weeds, the way every family does across our country, the way every small business person does across our country. They look for ways to tighten their belt. Sometimes it hurts when they tighten their belt.

We are not asking for pain; we are just saying level funding. States across our country are cutting budgets. Families across the country are making ends meet with less. Only the Federal Government, for some reason, believes you can raise taxes for more spending in Washington, D.C. and call that a success story.

That is why we believe the Republican budget is the way to go. It holds the line on spending; it funds our important priorities of strength, growth for the economy, and opportunity for the future. It deserves a vote.

Please vote against the Blue Dog budget.

Mrs. TAUSCHER. Mr. Chairman, I strongly support the Blue Dog Budget offered by my friend Mr. STENHOLM.

Not only does it balance the budget by 2012, it also provides funds to sustain the Army as it transforms to meet a wide array of challenges.

The administration's idea that it's okay to pay for predicted, long-term military operations and plans to increase the size of the Army out of a so-called "emergency supplemental" that will not even be requested until next January is irresponsible.

This has two negative consequences:

By not funding these crucial activities in the regular budget, we risk undermining military readiness between the period when the Army runs out of money and the next supplemental passes.

And, by not funding regular military expenses in the defense bill, the Pentagon is essentially getting a high interest credit card to avoid making responsible budget choices today.

As you know, the Army is undertaking its most significant transformation in fifty years while simultaneously trying to meet the challenges of operations in Iraq and Afghanistan, the war on terror and new threats to the United States and to our allies.

Because of the Pentagon's incorrect initial assessment of the force size needed to stabilize Iraq, Reservists and Guard Members are on duty more often and for longer periods of time and our active duty force is severely strained.

The Blue Dog budget does the right thing and funds the Army's force increase so that we can win the war without breaking the

Army, relieve the Guard and Reserve and let us get back to the business of transforming the nation's military.

I encourage my colleagues to support the Blue Dog budget Resolution.

The CHAIRMAN pro tempore (Mr. LINDER). All time for debate has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. STENHOLM).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. STENHOLM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 243, not voting 7, as follows:

[Roll No. 89]

#### AYES—183

Ackerman	Frost	Moran (VA)
Alexander	Gephardt	Nadler
Allen	Gonzalez	Napolitano
Andrews	Green (TX)	Neal (MA)
Baca	Grijalva	Oberstar
Baird	Gutierrez	Olver
Baldwin	Hall	Ortiz
Ballance	Harman	Osborne
Bass	Hastings (FL)	Pallone
Becerra	Hayes	Pascarell
Bell	Hill	Pastor
Bereuter	Hinchey	Pelosi
Berkley	Hinojosa	Peterson (MN)
Berry	Holden	Petri
Bilirakis	Holt	Pomeroy
Bishop (GA)	Honda	Price (NC)
Bishop (NY)	Hooley (OR)	Rangel
Blumenauer	Hoyer	Reyes
Boswell	Inslee	Rodriguez
Boyd	Israel	Ross
Brady (PA)	Jackson-Lee	Roybal-Allard
Brown (OH)	(TX)	Ruppersberger
Brown, Corrine	Jefferson	Ryan (OH)
Capps	John	Sabo
Capuano	Johnson, E. B.	Sanchez, Linda
Cardin	Kaptur	T.
Cardoza	Kilpatrick	Sanchez, Loretta
Carson (IN)	Kind	Sandlin
Case	Kleczka	Schiff
Chandler	LaHood	Scott (GA)
Clay	Lampson	Scott (VA)
Clyburn	Langevin	Serrano
Conyers	Lantos	Sherman
Cooper	Larsen (WA)	Shimkus
Cramer	Larson (CT)	Skelton
Cummings	Levin	Slaughter
Davis (AL)	Lewis (GA)	Smith (WA)
Davis (CA)	Lipinski	Snyder
Davis (FL)	Lofgren	Solis
Davis (IL)	Lynch	Spratt
Davis (TN)	Majette	Stark
DeFazio	Maloney	Stenholm
DeGette	Markey	Stupak
Delahunt	Marshall	Tanner
DeLauro	Matsui	Tauscher
Deutsch	McCarthy (MO)	Taylor (MS)
Dicks	McCarthy (NY)	Thompson (CA)
Dingell	McCollum	Tierney
Doggett	McDermott	Towns
Dooley (CA)	McGovern	Turner (TX)
Doyle	McIntyre	Udall (CO)
Edwards	McNulty	Upton
Emanuel	Meehan	Van Hollen
Emerson	Meeks (NY)	Velázquez
Engel	Menendez	Waters
Eshoo	Michaud	Watson
Etheridge	Millender	Watt
Farr	McDonald	Waxman
Fattah	Miller (NC)	Weiner
Filner	Miller, George	Wexler
Ford	Moore	Wu
Frank (MA)	Moran (KS)	Wynn

#### NOES—243

Aderholt	Baker	Bartlett (MD)
Akin	Ballenger	Barton (TX)
Bachus	Barrett (SC)	Beauprez

Berman	Green (WI)	Paul
Biggert	Greenwood	Payne
Bishop (UT)	Gutknecht	Pearce
Blackburn	Harris	Peterson (PA)
Blunt	Hart	Pickering
Boehlert	Hastings (WA)	Pitts
Boehner	Hayworth	Platts
Bonilla	Hefley	Pombo
Bonner	Hensarling	Porter
Bono	Herger	Portman
Boozman	Hobson	Pryce (OH)
Boucher	Hoekstra	Putnam
Bradley (NH)	Hostettler	Radanovich
Brady (TX)	Houghton	Rahall
Brown (SC)	Hulshof	Ramstad
Brown-Waite,	Hunter	Regula
Ginny	Hyde	Rehberg
Burgess	Isakson	Renzi
Burns	Issa	Reynolds
Burr	Istook	Rogers (AL)
Burton (IN)	Jackson (IL)	Rogers (KY)
Buyer	Jenkins	Rogers (MI)
Calvert	Johnson (CT)	Rohrabacher
Camp	Johnson (IL)	Ros-Lehtinen
Cannon	Johnson, Sam	Rothman
Cantor	Jones (NC)	Royce
Capito	Jones (OH)	Rush
Carson (OK)	Kanjorski	Ryan (WI)
Carter	Keller	Ryun (KS)
Castle	Kelly	Sanders
Chabot	Kennedy (MN)	Saxton
Chocola	Kennedy (RI)	Schakowsky
Coble	Kildee	Schrock
Cole	King (IA)	Sensenbrenner
Collins	King (NY)	Sessions
Costello	Kingston	Shadegg
Cox	Kirk	Shaw
Crane	Kline	Shays
Crenshaw	Knollenberg	Sherwood
Crowley	Kolbe	Shuster
Cubin	Kucinich	Simmons
Culberson	Latham	Simpson
Cunningham	LaTourette	Smith (MI)
Davis, Jo Ann	Leach	Smith (NJ)
Davis, Tom	Lee	Smith (TX)
Deal (GA)	Lewis (CA)	Souder
DeLay	Lewis (KY)	Stearns
DeMint	Linder	Strickland
Diaz-Balart, L.	LoBiondo	Sullivan
Diaz-Balart, M.	Lowey	Sweeney
Doolittle	Lucas (OK)	Tancredo
Dreier	Manzullo	Taylor (NC)
Duncan	Matheson	Terry
Dunn	McCotter	Thomas
Ehlers	McCrery	Thompson (MS)
English	McHugh	Thornberry
Evans	McKeon	Tiahrt
Everett	Meek (FL)	Tiberi
Feeney	Mica	Toomey
Ferguson	Miller (FL)	Turner (OH)
Flake	Miller (MI)	Udall (NM)
Foley	Miller, Gary	Visclosky
Forbes	Mollohan	Vitter
Fossella	Murphy	Walden (OR)
Franks (AZ)	Murtha	Walsh
Frelinghuysen	Musgrave	Wamp
Gallely	Myrick	Weldon (FL)
Garrett (NJ)	Nethercutt	Weldon (PA)
Gerlach	Neugebauer	Weller
Gibbons	Ney	Whitfield
Gilchrest	Northup	Wicker
Gillmor	Norwood	Wilson (NM)
Gingrey	Nunes	Wilson (SC)
Goode	Nussle	Wolf
Goodlatte	Obey	Woolsey
Gordon	Ose	Young (AK)
Goss	Otter	Young (FL)
Granger	Owens	
Graves	Oxley	

## NOT VOTING—7

Abercrombie	McInnis	Tauzin
Hoeffel	Pence	
Lucas (KY)	Quinn	

## ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LINDER) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1422

Messrs. ROTHMAN, MURTHA, PUTNAM, MILLER of Florida, PAYNE, RUSH, CROWLEY and Mrs. JO ANN DAVIS of Virginia and Ms. GINNY

BROWN-WAITE of Florida changed their vote from “aye” to “no.”

Messrs. TIERNEY, GEORGE MILLER of California and SNYDER changed their vote from “no” to “aye.”

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 3 printed in House Report 108-446.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
NO. 3 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 3 offered by Mr. HENSARLING:

Strike all after the enacting clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE  
BUDGET FOR FISCAL YEAR 2005.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate budgetary levels for fiscal years 2004 and 2006 through 2009 are hereby set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent Resolution on the budget for fiscal year 2005.

TITLE I—RECOMMENDED LEVELS AND  
AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Major functional categories.

TITLE II—RECONCILIATION AND REPORT  
SUBMISSIONS

Sec. 201. Reconciliation in the House of Representatives.

Sec. 202. Submission of report on defense savings.

TITLE III—RESERVE FUNDS AND  
CONTINGENCY PROCEDURESubtitle A—Reserve Funds for Legislation  
Assumed in Budget Aggregates

Sec. 301. Deficit-neutral reserve fund for health insurance for the uninsured.

Sec. 302. Deficit-neutral reserve fund for the Family Opportunity Act.

Sec. 303. Deficit-neutral reserve fund for Military Survivors' Benefit Plan.

Sec. 304. Reserve fund for pending legislation.

## Subtitle B—Contingency Procedure

Sec. 311. Contingency procedure for surface transportation.

## TITLE IV—BUDGET ENFORCEMENT

Sec. 401. Defense firewall.

Sec. 402. Restrictions on advance appropriations.

Sec. 403. Emergency spending.

Sec. 404. Enforcement of budget aggregates.

Sec. 405. Compliance with section 13301 of the Budget Enforcement Act of 1990.

Sec. 406. Action pursuant to section 302(b)(1) of the Congressional Budget Act.

Sec. 407. Family budget protection accounts-discretionary spending.

Sec. 408. Family budget protection accounts; mandatory spending.

Sec. 409. Changes in allocations and aggregates resulting from realistic scoring of measures affecting revenues.

Sec. 410. Prohibition on using revenue increases to comply with budget allocations and aggregates.

Sec. 411. Application and effect of changes in allocations and aggregates.

## TITLE V—SENSE OF THE HOUSE

Sec. 501. Sense of the House on spending accountability.

Sec. 502. Sense of the House on entitlement reform.

Sec. 503. Sense of House regarding the abolishment of obsolete agencies and Federal sunset proposals.

Sec. 504. Sense of the House regarding the goals of this concurrent resolution and the elimination of certain programs.

TITLE I—RECOMMENDED LEVELS AND  
AMOUNTSSEC. 101. RECOMMENDED LEVELS AND  
AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2004 through 2009:

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

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

Fiscal year 2004: \$1,272,787,000,000.

Fiscal year 2005: \$1,456,134,000,000.

Fiscal year 2006: \$1,610,181,000,000.

Fiscal year 2007: \$1,720,721,000,000.

Fiscal year 2008: \$1,809,790,000,000.

Fiscal year 2009: \$1,907,703,000,000.

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

Fiscal year 2004: \$0.

Fiscal year 2005: \$23,000,000,000.

Fiscal year 2006: \$44,000,000,000.

Fiscal year 2007: \$34,223,000,000.

Fiscal year 2008: \$36,000,000,000.

Fiscal year 2009: \$45,357,000,000.

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

Fiscal year 2004: \$1,952,700,000,000.

Fiscal year 2005: \$1,995,627,000,000.

Fiscal year 2006: \$2,052,943,000,000.

Fiscal year 2007: \$2,171,940,000,000.

Fiscal year 2008: \$2,285,426,000,000.

Fiscal year 2009: \$2,399,316,000,000.

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

Fiscal year 2004: \$1,911,235,000,000.

Fiscal year 2005: \$1,993,628,000,000.

Fiscal year 2006: \$2,066,992,000,000.

Fiscal year 2007: \$2,151,234,000,000.

Fiscal year 2008: \$2,254,679,000,000.

Fiscal year 2009: \$2,365,995,000,000.

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

Fiscal year 2004: \$638,448,000,000.

Fiscal year 2005: \$539,494,000,000.

Fiscal year 2006: \$456,811,000,000.

Fiscal year 2007: \$430,513,000,000.

Fiscal year 2008: \$444,889,000,000.

Fiscal year 2009: \$458,292,000,000.

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

Fiscal year 2004: \$7,436,000,000,000.

Fiscal year 2005: \$8,086,000,000,000.

Fiscal year 2006: \$8,867,000,000,000.

Fiscal year 2007: \$9,227,000,000,000.

Fiscal year 2008: \$9,809,000,000,000.

Fiscal year 2009: \$10,406,000,000,000.

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

Fiscal year 2004: \$4,385,000,000,000.  
 Fiscal year 2005: \$4,765,000,000,000.  
 Fiscal year 2006: \$5,055,000,000,000.  
 Fiscal year 2007: \$5,300,000,000,000.  
 Fiscal year 2008: \$5,547,000,000,000.  
 Fiscal year 2009: \$5,795,000,000,000.

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

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2009 for each major functional category are as follows:

(1) National Defense (050):  
 Fiscal year 2004:  
 (A) New budget authority, \$461,544,000,000.  
 (B) Outlays, \$451,125,000,000.  
 Fiscal year 2005:  
 (A) New budget authority, \$419,634,000,000.  
 (B) Outlays, \$447,114,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$442,400,000,000.  
 (B) Outlays, \$439,098,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$464,000,000,000.  
 (B) Outlays, \$445,927,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$486,149,000,000.  
 (B) Outlays, \$465,542,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$508,369,000,000.  
 (B) Outlays, \$487,186,000,000.  
 (2) Homeland Security (100):  
 Fiscal year 2004:  
 (A) New budget authority, \$29,559,000,000.  
 (B) Outlays, \$24,834,000,000.  
 Fiscal year 2005:  
 (A) New budget authority, \$34,102,000,000.  
 (B) Outlays, \$29,997,000,000.  
 Fiscal year 2006:  
 (A) New budget authority, \$33,548,000,000.  
 (B) Outlays, \$33,298,000,000.  
 Fiscal year 2007:  
 (A) New budget authority, \$35,160,000,000.  
 (B) Outlays, \$35,635,000,000.  
 Fiscal year 2008:  
 (A) New budget authority, \$36,520,000,000.  
 (B) Outlays, \$36,979,000,000.  
 Fiscal year 2009:  
 (A) New budget authority, \$40,420,000,000.  
 (B) Outlays, \$38,401,000,000.  
 (3) International Affairs (150):  
 Fiscal year 2004:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 Fiscal year 2005:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 Fiscal year 2006:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 Fiscal year 2007:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 Fiscal year 2008:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 Fiscal year 2009:  
 (A) New budget authority, an amount to be derived from function 920.  
 (B) Outlays, an amount to be derived from function 920.  
 (4) General Science, Space, and Technology (250):  
 Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(5) Energy (270):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(6) Natural Resources and Environment (300):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(7) Agriculture (350):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(8) Commerce and Housing Credit (370):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(9) Transportation (400):

Fiscal year 2004:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2005:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2006:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2007:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2008:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

Fiscal year 2009:

(A) New budget authority, an amount to be derived from function 920.

(B) Outlays, an amount to be derived from function 920.

(19) Net Interest (900):

Fiscal year 2004:

(A) New budget authority, \$240,471,000,000.

(B) Outlays, \$240,471,000,000.

Fiscal year 2005:

(A) New budget authority, \$270,507,000,000.

(B) Outlays, \$270,507,000,000.

Fiscal year 2006:

(A) New budget authority, \$318,306,000,000.

(B) Outlays, \$318,306,000,000.

Fiscal year 2007:

(A) New budget authority, \$363,189,000,000.

(B) Outlays, \$363,189,000,000.

Fiscal year 2008:

(A) New budget authority, \$396,474,000,000.

(B) Outlays, \$396,474,000,000.

Fiscal year 2009:

(A) New budget authority, \$424,724,000,000.

(B) Outlays, \$424,724,000,000.

(20) Allowances (920):

Fiscal year 2004:

(A) New budget authority, \$1,268,359,000,000.

(B) Outlays, \$1,242,038,000,000.

Fiscal year 2005:

(A) New budget authority, \$1,323,733,000,000.

(B) Outlays, \$1,298,485,000,000.

Fiscal year 2006:

(A) New budget authority, \$1,313,116,000,000.

(B) Outlays, \$1,330,767,000,000.

Fiscal year 2007:

(A) New budget authority, \$1,372,233,000,000.

(B) Outlays, \$1,370,250,000,000.

Fiscal year 2008:

(A) New budget authority, \$1,431,768,000,000.

(B) Outlays, \$1,421,831,000.

Fiscal year 2009:

(A) New budget authority, \$1,486,659,000.

(B) Outlays, \$1,475,577,000,000.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 2004:

(A) New budget authority, —\$47,233,000,000.

(B) Outlays, —\$47,233,000,000.

Fiscal year 2005:

(A) New budget authority, —\$52,349,000,000.

(B) Outlays, —\$52,475,000,000.

Fiscal year 2006:

(A) New budget authority, —\$54,427,000,000.

(B) Outlays, —\$54,477,000,000.

Fiscal year 2007:

(A) New budget authority, —\$62,642,000,000.

(B) Outlays, —\$63,767,000,000.

Fiscal year 2008:

(A) New budget authority, —\$65,485,000,000.

(B) Outlays, —\$66,147,000,000.

Fiscal year 2009:

(A) New budget authority, —\$60,856,000,000.

(B) Outlays, —\$59,893,000,000.

## TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

### SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS PROVIDING FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE IN MANDATORY PROGRAMS.—

(1) Not later than July 15, 2004, the House committees named in paragraph (2) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) INSTRUCTIONS.—

(A) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$220,000,000 in outlays for fiscal year 2005 and \$3,100,000,000 in outlays for the period of fiscal years 2005 through 2009.

(B) COMMITTEE ON ARMED SERVICES.—The House Committee on Armed Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$50,000,000 in outlays for fiscal year 2005 and \$250,000,000 in outlays for the period of fiscal years 2005 through 2009.

(C) COMMITTEE ON EDUCATION AND THE WORKFORCE.—The House Committee on Education and the Workforce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$90,000,000 in outlays for fiscal year 2005 and \$750,000,000 in outlays for the period of fiscal years 2005 through 2009.

(D) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$1,530,000,000 in outlays for fiscal year 2005 and \$12,750,000,000 in outlays for the period of fiscal years 2005 through 2009.

(E) COMMITTEE ON FINANCIAL SERVICES.—The House Committee on Financial Services shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$50,000,000 in new budget authority for fiscal year 2005 and \$190,000,000 in new budget authority for the period of fiscal years 2005 through 2009.

(F) COMMITTEE ON GOVERNMENT REFORM.—The House Committee on Government Reform shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$200,000,000 in outlays for fiscal year 2005 and \$2,000,000,000 in outlays for the period of fiscal years 2005 through 2009.

(G) COMMITTEE ON HOUSE ADMINISTRATION.—The House Committee on House Administration shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$500,000 in outlays for fiscal year 2005 and \$3,000,000 in outlays for the period of fiscal years 2005 through 2009.

(H) COMMITTEE ON INTERNATIONAL RELATIONS.—The House Committee on International Relations shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$150,000,000 in outlays for fiscal year 2005 and \$1,125,000,000 in outlays for the period of fiscal years 2005 through 2009.

(I) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spend-

ing for that committee by \$80,000,000 in outlays for fiscal year 2005 and \$550,000,000 in outlays for the period of fiscal years 2005 through 2009.

(J) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$50,000,000 in outlays for fiscal year 2005 and \$350,000,000 in outlays for the period of fiscal years 2005 through 2009.

(K) COMMITTEE ON SCIENCE.—The House Committee on Science shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$1,000,000 in outlays for fiscal year 2005 and \$6,000,000 in outlays for the period of fiscal years 2005 through 2009.

(L) COMMITTEE ON SMALL BUSINESS.—The House Committee on Small Business shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$0 in outlays for fiscal year 2005 and \$0 in outlays for the period of fiscal years 2005 through 2009.

(M) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$100,000,000 in outlays for fiscal year 2005 and \$1,150,000,000 in outlays for the period of fiscal years 2005 through 2009.

(N) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$10,000,000 in outlays for fiscal year 2005 and \$125,000,000 in outlays for the period of fiscal years 2005 through 2009.

(O) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$4,784,000,000 in outlays for fiscal year 2005 and \$38,947,000,000 in outlays for the period of fiscal years 2005 through 2009.

(P) SPECIAL RULE.—The chairman of the Committee on the Budget may take into account legislation enacted after the adoption of this resolution that is determined to reduce the deficit and may make applicable adjustments in reconciliation instructions, allocations, and budget aggregates and may also make adjustments in reconciliation instructions to protect earned benefit programs.

(b) SUBMISSION PROVIDING FOR THE EXTENSION OF EXPIRING TAX RELIEF.—(1) The House Committee on Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than \$13,182,000,000 for fiscal year 2005 and by not more than \$137,580,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 through 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

(c) SUBMISSION PROVIDING FOR ADDITIONAL TAX RELIEF.—(1) The House Committee on

Ways and Means shall report a reconciliation bill not later than October 1, 2004, that consists of changes in laws within its jurisdiction sufficient to reduce revenues by not more than \$9,818,000,000 for fiscal year 2005 and by not more than \$45,000,000,000 for the period of fiscal years 2005 through 2009.

(2) If a reconciliation bill, as reported pursuant to paragraph (1), does not increase the deficit for fiscal year 2005 or for the period of fiscal years 2005 through 2009 above the levels permitted in such paragraph, the chairman of the House Committee on the Budget may revise the reconciliation instructions under this section to permit the Committee on Ways and Means to increase the level of direct spending outlays, make conforming adjustments to the revenue instruction to decrease the reduction in revenues, and make conforming changes in allocations to the Committee on Ways and Means and in budget aggregates.

#### **SEC. 202. SUBMISSION OF REPORT ON DEFENSE SAVINGS.**

In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify \$2,000,000,000 in savings from—

(1) activities that are determined to be of a low priority to the successful execution of current military operations; or

(2) activities that are determined to be wasteful or unnecessary to national defense. Funds identified should be reallocated to programs and activities that directly contribute to enhancing the combat capabilities of the U.S. military forces with an emphasis on force protection, munitions, and surveillance capabilities. For purposes of this subsection, the report by the Committee on Armed Services shall be inserted in the Congressional Record by the chairman of the Committee on the Budget not later than May 21, 2004.

### **TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE**

#### **Subtitle A—Reserve Funds for Legislation Assumed in Budget Aggregates**

#### **SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.**

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides health insurance for the uninsured, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

#### **SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.**

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

#### **SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR MILITARY SURVIVORS' BENEFIT PLAN.**

In the House, if the Committee on Armed Services reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that increases survivors' benefits under the Military Survivors' Benefit Plan, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and ag-

gregates to the extent such measure is deficit neutral resulting from a change other than to discretionary appropriations in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

#### **SEC. 304. RESERVE FUND FOR PENDING LEGISLATION.**

In the House, for any bill, including a bill that provides for the safe importation of FDA-approved prescription drugs or places limits on medical malpractice litigation, that has passed the House in the first session of the 108th Congress and, after the date of adoption of this concurrent resolution, is acted on by the Senate, enacted by the Congress, and presented to the President, the chairman of the Committee on the Budget may make the appropriate adjustments in the allocations and aggregates to reflect any resulting savings from any such measure.

#### **Subtitle B—Contingency Procedure**

#### **SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.**

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

- (1) For fiscal year 2004: \$41,569,000,000;
- (2) For fiscal year 2005: \$42,657,000,000;
- (3) For fiscal year 2006: \$43,635,000,000;
- (4) For fiscal year 2007: \$45,709,000,000;
- (5) For fiscal year 2008: \$46,945,000,000; or
- (6) For fiscal year 2009: \$47,732,000,000;

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$40,116,000,000 for fiscal year 2004 or \$41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

### **TITLE IV—BUDGET ENFORCEMENT**

#### **SEC. 401. DEFENSE FIREWALL.**

It shall not be in order in the Senate or in the House of Representatives to consider any bill making a general appropriation for fiscal year 2005 if the most recently reported allocations made pursuant to section 302(b)(1) of the Congressional Budget Act of 1974 sets out a level for the Defense Subcommittee and the Military Construction Subcommittee that when added together totals less than \$402,000,000,000 in budget authority.

#### **SEC. 402. RESTRICTIONS ON ADVANCE APPROPRIATIONS.**

(a) IN GENERAL.—(1) In the House, except as provided in subsection (b), an advance appropriation may not be reported in a bill or joint resolution making a general appropriation or continuing appropriation, and may not be in order as an amendment thereto.

(2) Managers on the part of the House may not agree to a Senate amendment that would violate paragraph (1) unless specific authority to agree to the amendment first is given by the House by a separate vote with respect thereto.

(b) EXCEPTION.—In the House, an advance appropriation may be provided for fiscal year 2006 and fiscal years 2006 and 2007 for programs, projects, activities or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "Accounts Identified for Advance Appropriations" in an aggregate amount not to exceed \$23,568,000,000 in new budget authority.

(c) DEFINITION.—In this section, the term "advance appropriation" means any discretionary new budget authority in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2005 that first becomes available for any fiscal year after 2005.

#### **SEC. 403. EMERGENCY SPENDING.**

(a) EXEMPTION OF OVERSEAS CONTINGENCY OPERATIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that makes supplemental appropriations for fiscal year 2005 for contingency operations related to the global war on terrorism, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, and 401 of the Congressional Budget Act of 1974 for the provisions of such measure that are designated pursuant to this subsection as making appropriations for such contingency operations.

(b) EXEMPTION OF EMERGENCY PROVISIONS.—In the House, if a bill or joint resolution is reported, or an amendment is offered thereto or a conference report is filed thereon, that designates a provision as an emergency requirement pursuant to this section, then the new budget authority, new entitlement authority, outlays, and receipts resulting therefrom shall not count for purposes of sections 302, 303, 311, and 401 of the Congressional Budget Act of 1974.

(c) DESIGNATIONS.—

(1) GUIDANCE.—In the House, if a provision of legislation is designated as an emergency requirement under subsection (b), the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (2). If such legislation is to be considered by the House without being reported, then the committee shall cause the explanation to be published in the Congressional Record in advance of floor consideration.

(2) CRITERIA.—

(A) IN GENERAL.—Any such provision is an emergency requirement if the underlying situation poses a threat to life, property, or national security and is—

(i) sudden, quickly coming into being, and not building up over time;

(ii) an urgent, pressing, and compelling need requiring immediate action;

(iii) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(iv) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(d) ENFORCEMENT.—It shall not be in order in the House of Representatives to consider

any bill, joint resolution, amendment or conference report that contains an emergency designation unless that designation meets the criteria set out in subsection (c)(2).

(e) **ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.**—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (d).

(f) **DISPOSITION OF POINTS OF ORDER IN THE HOUSE.**—As disposition of a point of order under subsection (d) or subsection (e), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this section shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

#### **SEC. 404. ENFORCEMENT OF BUDGET AGGREGATES.**

(a) **IN GENERAL.**—Except as provided by subsection (b) of this section, it shall not be in order in the House of Representatives to consider any bill, joint resolution, amendment, motion, or conference report providing new budget authority or providing new entitlement authority, if—

- (1) the enactment of that bill or resolution;
- (2) the adoption and enactment of that amendment; or
- (3) the enactment of that bill or resolution in the form recommended in that conference report;

would cause for any fiscal year covered by this resolution the appropriate allocation made pursuant to section 302(a)(1) of the Congressional Budget Act of 1974 to be exceeded.

(b) **EXCEPTION.**—Subsection (a) of this section shall not apply to any bill, joint resolution or conference report that only provides continuing appropriations.

(c) **ENFORCEMENT IN THE HOUSE OF REPRESENTATIVES.**—It shall not be in order in the House of Representatives to consider a rule or order that waives the application of subsection (a).

(d) **DISPOSITION OF POINTS OF ORDER IN THE HOUSE.**—As disposition of a point of order under subsection (a) or subsection (c), the Chair shall put the question of consideration with respect to the proposition that is the subject of the point of order. A question of consideration under this section shall be debatable for 10 minutes by the Member initiating the point of order and for 10 minutes by an opponent of the point of order, but shall otherwise be decided without intervening motion except one that the House adjourn or that the Committee of the Whole rise, as the case may be.

(e) **EFFECT ON AMENDMENT IN ORDER AS ORIGINAL TEXT IN THE HOUSE.**—The disposition of the question of consideration under this section with respect to a bill or joint resolution shall be considered also to determine the question of consideration under this subsection with respect to an amendment made in order as original text.

#### **SEC. 405. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.**

(a) **IN GENERAL.**—In the House, 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 discre-

tionary 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. 406. ACTION PURSUANT TO SECTION 302(b)(1) OF THE CONGRESSIONAL BUDGET ACT.**

(a) **COMPLIANCE.**—When complying with section 302(b)(1) of the Congressional Budget Act of 1974, the Committee on Appropriations of each House shall consult with the Committee on Appropriations of the other House to ensure that the allocation of budget outlays and new budget authority among each Committee's subcommittees are identical.

(b) **REPORT.**—The Committee on Appropriations of each House shall report to its House when it determines that the report made by the Committee pursuant to section 301(b) of the Congressional Budget Act of 1974 and the report made by the Committee on Appropriations of the other House pursuant to the same provision contain identical allocations of budget outlays and new budget authority among each Committee's subcommittees.

(c) **POINT OF ORDER.**—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report providing new discretionary budget authority for Fiscal Year 2004 allocated to the Committee on Appropriations unless and until the Committee on Appropriations of that House has made the report required under paragraph (b) of this section.

#### **SEC. 407. FAMILY BUDGET PROTECTION ACCOUNTS—DISCRETIONARY SPENDING.**

(a) The chairman of the Committee on the Budget shall maintain a ledger to be known as the "Discretionary Spending Ledger". The Ledger shall be divided into entries corresponding to the subcommittees of the Committee on Appropriations and each entry shall consist of the "Deficit Reduction Safeguard Balance".

(b) Each entry shall consist only of amounts credited to it under paragraph (c). No entry of a negative amount shall be made.

(c) Whenever a Member offers an amendment to an appropriation bill to reduce new budget authority in any account, that Member may state the portion of such reduction that shall be—

- (1) credited to the Deficit Reduction Safeguard Balance;
- (2) used to offset an increase in new budget authority in any other account; or
- (3) allowed to remain within the applicable section 302(b) suballocation.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the Deficit Reduction Safeguard Balance, as applicable, if the amendment is agreed to.

(d) Except as provided by paragraph (e), the chairman of the Committee on the Budget shall, upon the engrossment of any appropriation bill by the House of Representatives, credit to the entry balance amounts of new budget authority and outlays equal to the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House to that bill.

(e) When computing the net amounts of reductions in new budget authority and in outlays resulting from amendments agreed to by the House to an appropriation bill, the chairman of the Committee on the Budget shall only count those portions of such

amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the Deficit Reduction Safeguard Balance, or that fall within the last sentence of subparagraph (c).

(f) The chairman of the Committee on the Budget shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members during consideration of any appropriation bill by the House.

(g) For purposes of enforcing section 302(a) of the Congressional Budget Act of 1974, upon the engrossment of any appropriation bill by the House, the amount of budget authority and outlays calculated pursuant to subparagraph (e) shall be counted against the 302(a) allocation provided to the Committee on Appropriations as if the amount calculated pursuant to such clause was included in the bill just engrossed.

(h) For purposes of enforcing section 302(b) of the Congressional Budget Act of 1974, upon the engrossment of any appropriation bill by the House, the 302(b) allocation provided to the subcommittee for the bill just engrossed shall be deemed to have been reduced by the amount of budget authority and outlays calculated, pursuant to subparagraph (e).

(i) As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2004 or any subsequent fiscal year, as the case may be.

#### **SEC. 408. FAMILY BUDGET PROTECTION ACCOUNTS; MANDATORY SPENDING.**

(a) The chairman of the Committee on the Budget shall maintain a ledger to be known as the "Mandatory Spending Ledger". The Ledger shall be divided into entries corresponding to the House committees that received allocations under section 302(a) of the Congressional Budget Act of 1974 as a result of this concurrent resolution, except that it shall not include the Committee on Appropriations and each entry shall consist of the "First Year Deficit Reduction Safeguard Balance" and the "Five Year Deficit Reduction Safeguard Balance".

(b) Each entry shall consist only of amounts credited to it under paragraph (c). No entry of a negative amount shall be made.

(c) Whenever a Member offers an amendment to a bill that reduces the amount of mandatory budget authority provided either under current law or proposed to be provided by the bill under consideration, that Member may state the portion of such reduction achieved in the first year covered by this concurrent resolution and in addition the portion of such reduction achieved in the first five years covered by this concurrent resolution that shall be—

- (1) credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance;
- (2) used to offset an increase in other new budget authority; or
- (3) allowed to remain within the applicable section 302(a) allocation.

If no such statement is made, the amount of reduction in new budget authority resulting from the amendment shall be credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance, as applicable, if the amendment is agreed to.

(d) Except as provided by subparagraph (e), the chairman of the Committee on the Budget shall, upon the engrossment of any bill, other than an appropriation bill, by the House, credit to the applicable entry balances amounts of new budget authority and

outlays equal to the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House to that bill.

(e) When computing the net amounts of reductions in budget authority and in outlays resulting from amendments agreed to by the House to a bill, the chairman of the Committee on the Budget shall only count those portions of such amendments agreed to that were so designated by the Members offering such amendments as amounts to be credited to the First Year Deficit Reduction Safeguard Balance and the Five Year Deficit Reduction Safeguard Balance, or that fall within the last sentence of subparagraph (c).

(f) The chairman of the Committee on the Budget shall maintain a running tally of the amendments adopted reflecting increases and decreases of budget authority in the bill as reported. This tally shall be available to Members during consideration of any bill by the House.

(g) For the purposes of enforcing section 302(a) of the Congressional Budget Act of 1974, upon the engrossment of any bill, other than an appropriation bill, by the House, the amount of budget authority and outlays calculated pursuant to subparagraph (e) shall be counted against the 302(a) allocation provided to the applicable committee or committees which reported the bill as if the amount calculated pursuant to subparagraph (e) was included in the bill just engrossed.

(h) As used in this section, the term "appropriation bill" means any general or special appropriation bill, and any bill or joint resolution making supplemental, deficiency, or continuing appropriations through the end of fiscal year 2004 or any subsequent fiscal year, as the case may be.

**SEC. 409. CHANGES IN ALLOCATIONS AND AGGREGATES RESULTING FROM REALISTIC SCORING OF MEASURES AFFECTING REVENUES.**

(a) Whenever the House considers a bill, joint resolution, amendment, motion or conference report, including measures filed in compliance with section 201(b) or 201(c) of this concurrent resolution, that propose to change Federal revenues, the impact of such measure on Federal revenues shall be calculated by the Joint Committee on Taxation in a manner that takes into account:

(1) the impact of the proposed revenue changes on—

- (A) Gross Domestic Product, including the growth rate for the Gross Domestic Product;
- (B) Total Domestic Employment;
- (C) Gross Private Domestic Investment;
- (D) General Price Index;
- (E) Interest Rates; and
- (F) Other economic variables

(2) the impact on Federal Revenue of the changes in economic variables analyzed under subpart (1) of this paragraph.

(b) The Chairman of the Committee on the Budget may make any necessary changes to allocations and aggregates in order to conform this concurrent resolution with the determinations made by the Joint Committee on Taxation pursuant to paragraph (a) of this section.

**SEC. 410. PROHIBITION ON USING REVENUE INCREASES TO COMPLY WITH BUDGET ALLOCATIONS AND AGGREGATES.**

(a) For the purpose of enforcing this concurrent resolution in the House, the chairman of the Committee on the Budget shall not take into account the provisions of any piece of legislation which propose to increase revenue or offsetting collections if the net effect of the bill is to increase the level of revenue or offsetting collections beyond the level assumed in this concurrent resolution.

(b) Subsection (a) of this section shall not apply to any provision of a piece of legislation that proposes a new or increased fee for

the receipt of a defined benefit or service (including insurance coverage) by the person or entity paying the fee.

**SEC. 411. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.**

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

(1) apply while that measure is under consideration;

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

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

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

(c) BUDGET COMMITTEE DETERMINATIONS.—For purposes of this resolution—

(1) the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget; and

(2) such chairman may make any other necessary adjustments to such levels to carry out this resolution.

**TITLE V—SENSE OF THE HOUSE**

**SEC. 501. SENSE OF THE HOUSE ON SPENDING ACCOUNTABILITY.**

It is the sense of the House that—

(1) authorizing committees should actively engage in oversight utilizing—

(A) the plans and goals submitted by executive agencies pursuant to the Government Performance and Results Act of 1993; and

(B) the performance evaluations submitted by such agencies (that are based upon the Program Assessment Rating Tool which is designed to improve agency performance);

in order to enact legislation to eliminate waste, fraud, and abuse to ensure the efficient use of taxpayer dollars;

(2) all Federal programs should be periodically reauthorized and funding for unauthorized programs should be level-funded in fiscal year 2005 unless there is a compelling justification;

(3) committees should submit written justifications for earmarks and should consider not funding those most egregiously inconsistent with national policy;

(4) the fiscal year 2005 budget resolution should be vigorously enforced and legislation should be enacted establishing statutory limits on appropriations and a PAY-AS-YOU-GO rule for new and expanded entitlement programs; and

(5) Congress should make every effort to offset nonwar-related supplemental appropriations.

**SEC. 502. SENSE OF THE HOUSE ON ENTITLEMENT REFORM.**

(a) FINDINGS.—The House finds that welfare was successfully reformed through the application of work requirements, education and training opportunity, and time limits on eligibility.

(b) SENSE OF THE HOUSE.—It is the sense of the House that authorizing committees should—

(1) systematically review all means-tested entitlement programs and track beneficiary participation across programs and time;

(2) enact legislation to develop common eligibility requirements for means-tested entitlement programs;

(3) enact legislation to accurately rename means-tested entitlement programs;

(4) enact legislation to coordinate program benefits in order to limit to a reasonable pe-

riod of time the Government dependency of means-tested entitlement program participants;

(5) evaluate the costs of, and justifications for, nonmeans-tested, nonretirement-related entitlement programs; and

(6) identify and utilize resources that have conducted cost-benefit analyses of participants in multiple means- and nonmeans-tested entitlement programs to understand their cumulative costs and collective benefits.

**SEC. 503. SENSE OF HOUSE REGARDING THE ABOLISHMENT OF OBSOLETE AGENCIES AND FEDERAL SUNSET PROPOSALS.**

(a) The House finds that—

(1) the National Commission on the Public Service's recent report, "Urgent Business For America: Revitalizing The Federal Government For The 21st Century," states that government missions are so widely dispersed among so many agencies that no coherent management is possible. The report also states that fragmentation leaves many gaps, inconsistencies, and inefficiencies in government oversight and results in an unacceptable level of public health protection;

(2) according to the Commission, there are: more than 35 food safety laws administered by 12 different Federal agencies; 541 clean air, water, and waste programs in 29 Federal agencies; 50 different programs to aid the homeless in eight different Federal agencies; and 27 teen pregnancy programs operated in nine Federal agencies; and 90 early childhood programs scattered among 11 Federal agencies;

(3) according to the General Accounting Office (GAO), there are 163 programs with a job training or employment function, 64 welfare programs of a similar nature, and more than 500 urban aid programs;

(4) GAO also indicates 13 agencies coordinate 342 economic development programs, but there is very little or no coordination between them. This situation has created a bureaucracy so complex that many local communities stop applying for economic assistance. At the same time, the GAO reports that these programs often serve as nothing more than funnels for pork, have "no significant effect" on the economy, and cost as much as \$307,000 to create each job;

(5) in 1976, Colorado became the first state to implement a sunset mechanism. Today, about half of the nation's states have some sort of sunset mechanism in effect to monitor their legislative branch agencies. On the Federal level, the United States Senate in 1978 overwhelmingly passed legislation to sunset most of the Federal Government agencies by a vote of 87-1; and

(6) in Texas, "sunsetting" has eliminated 44 agencies and saved the taxpayers \$720 million compared with expenditures of \$16.94 million for the Sunset Commission. Based on these estimates, for every dollar spent on the Sunset process, the State has received about \$42.50 in return.

(b) It is the sense of the House of Representatives that legislation providing for the orderly abolishment of obsolete Agencies and providing a Federal sunset for government programs should be enacted during this Congress.

**SEC. 504. SENSE OF THE HOUSE REGARDING THE GOALS OF THIS CONCURRENT RESOLUTION AND THE ELIMINATION OF CERTAIN PROGRAMS.**

(a) The House of Representatives finds that—

(1) the concurrent resolution on the budget for Fiscal Year 2005 should achieve the following key goals:

(A) Ensure adequate funding is available for essential government programs, in particular defense and homeland security.

(B) Foster greater economic growth and increased domestic employment by eliminating those provisions in the tax code that discourage economic growth and job creation and by extending existing tax relief provisions so as to prevent an automatic tax increase.

(C) Bring the Federal budget back into balance as soon as possible.

(2) the Federal Government spends billions of dollars each year on programs and projects that are of marginal value to the country as a whole;

(3) funding for these lower priority programs should be viewed in light of the goals of this concurrent resolution and whether or not continued funding of these programs advances or hinders the achievement of these goals; and

(4) this concurrent resolution assumes that funding for many lower priority programs will be reduced or eliminated in order increase funding for defense and homeland security while at the same time controlling overall spending.

(b) It is the sense of the House of Representatives that the following programs should be eliminated:

- (1) Title X Family Planning.
- (2) Corporation for Public Broadcasting.
- (3) National Endowment for the Arts.
- (4) Legal Services Corporation.
- (5) The Advanced Technology Program.

The CHAIRMAN pro tempore. Pursuant to House Resolution 574, the gentleman from Texas (Mr. HENSARLING) and a Member opposed each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I want to congratulate the gentleman from Iowa (Mr. NUSSLE) on his great work to produce a truly fiscally responsible budget. It takes a big step in the right direction. But the Republican Study Committee budget takes even more steps in the right direction.

Budgets are so much more than green eyeshade exercises for accountants. They are so much more than esoteric econometric modeling. Beyond the numbers, they are really about values and priorities. The values and priorities of the budget I offer today are simple, less government and more freedom. Of all the budgets introduced in Congress today, none, and I repeat none, contain less government or more freedom than the Republican Study Committee alternative which I have the honor to introduce today.

Permit me to summarize what this budget does. First, for only the second time in a decade, we would actually reduce the size of government. In the aggregate, we reduce nondefense discretionary spending by 1 percent and reduce the rate of growth in mandatory spending by 1 percent. Why is this important? Because it is a fact. It is an eternal truth that as governments expand, liberty contracts. That means fewer opportunities for Americans to choose the best health care for their families, to choose the best educational opportunities for their children, or to find the best job in a competitive market economy.

Secondly, this budget fully funds the Commander in Chief's defense and homeland defense request. This is a Nation at war. For many years this Nation ran a defense deficit with deteriorating infrastructure, outdated equipment, and lagging military pay. We must continue to close this defense deficit because there can be only one outcome to this war, victory for freedom and defeat for terrorism.

Next, Mr. Chairman, this budget cuts the deficit in half in 3 years. As the father of a 2-year-old daughter and a 6-month-old son, I take a back seat to no one regarding my concern about the deficit. But we must all realize that the deficit is a symptom. Spending is the disease. And by any measure, spending is out of control. For only the fourth time in the history of our Nation, the Federal Government is now spending over \$20,000 per household. This figure is up from just 5 years ago of \$16,000 per household, representing the largest expansion of government in 50 years. Last year, what we call mandatory spending reached 11 percent of our economy for the first time ever. Nondefense discretionary spending is now almost 4 percent of the economy for the first time in 20 years, and almost every major Department of the government has grown precipitously way beyond the rate of inflation.

Besides being out of control, much of this Federal spending, unfortunately, is just pure waste, fraud, and abuse.

Until recently, Medicare had routinely paid as much as five times for a wheelchair as the VA had, simply because one bid competitively and the other did not. In the last year of the Clinton administration, HUD wasted over 10 percent of their budget making improper payments, \$3 billion lost. We spent almost \$800,000 for a toilet in one national park and the toilet did not even flush. And we are just scratching the surface here.

Example after example shows that many Federal programs routinely waste 5, 10, 15, 20 percent of their taxpayer-funded budgets and have for decades.

Mr. Chairman, this has got to stop. Government is inherently wasteful. It does almost nothing as well as we the people, and it must be limited. And until we do limit it, we will never prioritize, much less root out the waste, the fraud, the abuse that permeates every corner of our Federal budget.

Again, this Republican Study Committee alternative is the only budget that actually reduces government and thus begins the vital process of protecting the family budget from the Federal budget.

Next, Mr. Chairman, the RSC budget promotes economic growth by providing tax relief, \$183 billion over 5 years. This will ensure that we do not imperil our economic recovery by raising taxes as all the Democrat alternatives propose to do. This figure accommodates the President's request

and will help ensure that tax relief such as the child tax credit and the marriage penalty tax relief will not be canceled.

Now, my friends on the other side of the aisle have said that tax relief represents a huge government expenditure that creates huge deficits. They are wrong. First, it is not the government's money; it is the people's money. Secondly, when it comes to the deficit, the tax relief is miniscule compared to the spending, roughly \$180 billion over 5 years compared to over \$13 trillion of spending over the same time period. In other words, if you do the math, tax relief is only 1 percent of total spending. One percent.

If the Democrats truly care about budget deficits, they should focus their attention on the spending side of deficit, which represents 99 percent of the problem.

Finally, tax relief has proven to be part of the deficit solution, not part of the deficit problem. Tax relief has helped ignite our historic economic recovery, created jobs, and brought our unemployment rate down. And most importantly with respect to the deficit, Treasury reports show that after cutting tax rates, we increase tax revenues. That is right. Tax revenues are up.

The final thing that the Republican Study Committee budget does is to ensure we live up to our commitments to the American people. In other words, when we pass a budget, we enforce that budget. Too often through advance appropriations, so-called emergency spending and other devices, Congress has ignored its own budget. This too must stop. Through closing loopholes and creating Family Budget Protection Accounts, the Republican Study Committee budget takes a giant step towards ensuring that Congress indeed means what it says when it passes the budget.

In conclusion, Mr. Chairman, budgets are truly about priorities and values as much as they are about numbers. Our budget prioritizes the family budget over the Federal budget. It values less government and more freedom. For the sake of our own children and the future of the Nation, the Republican Study Committee substitute should be adopted by the House.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute, and claim the time in opposition.

Mr. Chairman, I ask unanimous consent that half of the time I have claimed in opposition be yielded to the gentleman from South Carolina (Mr. SPRATT) for purposes of control.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

□ 1430

Mr. NUSSLE. Mr. Chairman, I reserve the balance of our time.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Chairman, I thank the gentleman for yielding me the time.

There have been a lot of numbers used in this debate, thrown around with great abandon. I must give my Republican colleagues credit. They have used numbers and rhetoric very cleverly over these last 2 days, but I would urge my fellow Americans watching this debate to pay very, very close attention to the way the numbers are actually being used and also to what is not being said.

For example, Democrats talked for 20 minutes yesterday about how the Republican budget seriously underfunds our first responders. The Republicans responded by saying our numbers were all wrong because their budget increased funding for homeland security. Then they listed numbers showing increases in transportation and border protection as examples. Yet they were strangely silent about funding for police departments, for firefighters, for other first responders, which was actually what we were discussing; and they were silent for the understandable reason that their budget gives these first responders far less support than they had before 9/11!

We have criticized the Republican budget for creating a spiraling deficit as their spending plans and their tax cuts kick in over the next 10 years. They say we are confused because the Republican plan is going to cut the deficit in half over the next 4 or 5 years. That, in itself, is debatable, but I promise my colleagues that they will hear no Republican talk about the effect of their budget on the deficit over the next 10 years, as their tax cuts for the wealthy and their extra spending kick in, because the result is deficits in the \$500 billion range, as far as the eye can see.

We have talked about how the Democratic substitute does not merely reduce the deficit, but actually eliminates the deficit within 10 years, while redirecting more resources toward areas Americans care about, like education, veterans' benefits, first responders, housing and safety net programs.

Our Republican friends say, Aha, you do this by raising taxes on Americans. Well, we do understand that there is no free lunch, and we want to reinstate the real pay-as-you-go rule that served us so well through the 1990s. But rather than raise taxes, we are talking about merely freezing scheduled reductions for those making over \$500,000 a year and also closing some egregious corporate loopholes.

It is true that the tax cuts for millionaires in our plan are less than the tax cuts for millionaires in theirs. But I doubt we will hear our Republican friends putting it quite that way.

So, Mr. Chairman, I encourage my colleagues to pay very, very close attention to what numbers are being used by each side and to what is not being said. Budgets are, after all, about priorities, and the Democratic priorities are clear. Fund the programs America needs, balance the budget, and target tax cuts in ways that stimulate the economy and do not merely enrich the most fortunate among us.

Mr. HENSARLING. Mr. Chairman, I yield 2½ minutes to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Chairman, I rise today to lend my strong support to the Republican Study Committee budget. As chairman of the RSC, I am very proud of this budget and I want to thank the gentleman from Texas (Mr. HENSARLING) for all of his hard work on making this possible.

I also want to commend the gentleman from Iowa (Chairman NUSSLE) for his hard work and dedication to reining in spending. The gentleman from Iowa and the leadership of the House spent a lot of time honestly listening to Members' concerns. The underlying budget is an important first step for our conference, and I am very proud to support it.

However, I had hoped that we could do more. Hardworking Americans have to watch their spending, and so should Congress. Congress has got to get in the mind-set of spending less.

I will continue to remind my colleagues that Americans expect us to be responsible with their tax dollars. It takes them a long time to earn those dollars to send up here for us to spend.

This RSC budget reduces nondefense, nonhomeland security discretionary spending by 1 percent compared to last year's level. It assumes the President's numbers for tax relief over the next 5 years. The Committee on the Budget calls for \$152.6 billion in tax relief. We call for \$182.6 billion.

Most importantly, it establishes a fire wall, preventing the consideration of appropriations bills until at least \$402 billion is provided for defense and military construction. The RSC budget brings true accountability to the Federal budget.

It is time Congress gets serious about reining in wasteful spending and getting our budget under control. This is what we were sent here to do. That is what the American people expect us to do. They want us to stop business as usual and stop the excuses.

Mr. SPRATT. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent that he be allowed to allocate portions of his time.

The CHAIRMAN pro tempore (Mr. LINDER). Without objection, the gentleman from Ohio (Mr. BROWN) is allowed to yield time.

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Chairman, there is a moral dimension to these huge tax

cuts the Republicans give to the upper two percentiles. In this budget, they cut research that would cover Alzheimer's, Parkinson's, heart disease, diabetes, by \$553 million, the research dollars that will help every American family to avoid the tragedy of these diseases which would ravage their families.

Tax cuts should not come before an increase in the budget for the NIH, but worse than that, they also cut \$23.6 billion out of Medicaid, which is the budget which is used for Grandma and Grandpa in nursing homes across our country with Alzheimer's, with Parkinson's, with heart disease and every other illness that afflicts our country.

They cannot have it both ways. They cannot not fund increases in NIH research to cure diseases and not have the funding then when they do not cure it in order to take care of Grandma and Grandpa in nursing homes.

Watch out, Grandma. Watch out, Grandpa. GOP used to stand for Grand Old Party. Now it stands for Get Old People, for Got Our Pensions, and that is exactly what is happening in this Republican budget.

The tax cuts for the wealthiest are sacrosanct, and as a result, programs that will help every American family deal with the ravages of disease has to be cut, whether it be in research or in nursing homes. GOP, get-old-people.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute to observe, get old people? That is kind of interesting.

The one program that seniors in our country depend on is Medicare. Are there any cuts in the Republican budget for Medicare? No. In fact, we funded a new drug benefit last year, and that is included in our budget. But, boy, it is interesting here, as I look at the Democrat substitute, look on the Medicare line, a cut in Medicare, is it possible that you could come to the floor with a cute little sign that says Get Old People and then cut Medicare and yell about it?

I can yell, too, I suppose, but yelling does not make it different. My colleagues get old people with a Medicare cut. Why is it that they would come to the floor with a sign that says one thing and present a budget that does something completely different? At a time when we are trying to modernize Medicare, provide providers with better reimbursements and help provide the first-ever prescription drug benefit under Medicare is not the time to cut Medicare. My colleagues should not have that in their budget.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 15 seconds.

The gentleman from Iowa (Mr. NUSSLE) knows that the Medicare bill that he is bragging about, in fact, is simply a payoff to the drug companies and to the insurance industries, \$46 billion direct taxpayer subsidies to the insurance industry, \$200 billion in direct subsidies to the drug companies.

Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I rise in absolute astonishment at the disingenuous budget resolution presented by the Republican majority and in opposition to the Republican Study Committee's alternative. But at least the Republican Study Committee, I give them credit, they try to be consistent. They try to bring down the deficit. They try to say that we cannot have these tremendous deficits.

I do not know whether to laugh or cry, to actually carve out protections that allow increases in the deficit by billions. What has happened to the soul of the Republican Party? Is fiscal responsibility no longer their mantra? Make no mistake, guaranteeing that we can have tax cuts without corresponding spending cuts means even bigger increases in the deficit.

The tax cuts for the rich are robbing us of our ability to fund needed programs. How can we look at our children and grandchildren and say we are promoting the general welfare? \$7 trillion in debt, every American now carries a burden of \$24,326. Just this year alone we are spending \$340 billion on interest for this debt. We are leaving our children and grandchildren an economic time bomb.

Just as the baby boom generation begins to retire, this budget spends every penny of the Medicare and Social Security surpluses over the next 10 years, but not on Medicare and Social Security; and the cuts on Medicaid are shameful in this budget when we consider that unemployment is high and people need Medicaid.

Democrats want to balance the budget and pay our bills now, not sometime in the future. Republicans used to stand in this Chamber and scream about balanced budgets. What happened to you?

Reject this budget and support the gentleman from South Carolina's (Mr. SPRATT) alternative.

Mr. HENSARLING. Mr. Chairman, I yield myself 15 seconds.

If the gentleman is concerned about spending, this budget actually does cut spending. I would encourage him to sponsor it. Additionally, 99 percent of our deficit problem is on the spending side. So I do not understand why 99 percent of the rhetoric is on the tax side, on the other side.

Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I would like to congratulate my colleague, the gentleman from Texas, for introducing an outstanding budget and for his hard work in making a point, in producing a budget that really goes a long way towards achieving the fiscal discipline that we need here.

It seems to me the goal of the Federal budget ought to be primarily to create an environment in which we allow the American people to maximize

their prosperity, to maximize their opportunity, to maximize their chance to realize the American dream.

If the American people could actually individually vote on this today, I think this is the budget that would win because the American people know that our taxes are too high to achieve the maximum level of prosperity that our country is capable of, and they know that here in Washington we spend too much money. We have for years, and it has been accelerating in recent years; and so this is the budget that addresses those two issues best.

It cuts spending a little tiny bit. That is all, one small part of the total government spending. We actually propose in this Republican Study Committee budget a 1 percent cut, one penny out of every dollar in the non-defense, nonhomeland security discretionary spending area. We think that there is at least that much waste and fraud and abuse and unnecessary and duplicative programs, and so we are saying, how about one penny out of every dollar in just this category?

What else did this budget do? It says that the existing tax law ought to be permanent, that we should not, at a time when we are just kicking in a strong economic recovery, we should not raise taxes.

This is a budget that shrinks the deficit, holds spending growth to a modest level and lowers taxes. I urge my colleagues to support it.

Mr. BROWN of Ohio. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I thank the gentleman for yielding me the time.

My colleague across the aisle from Texas is feeling really proud of himself, because he thinks he found a Medicare cut in the Democratic alternative. Excuse me, we are talking about \$800 million more for Medicare over the next 5 years. So he is just flat wrong, but there are a lot of things wrong in this budget.

It is true that when we talk about, well, it is just 1 percent, it is just a little bit here or there, we are talking about a \$2 billion cut in Medicaid. What is that about? Medicaid? We are talking about the poorest of Americans, many of whom, by the way, are working 7 days a week or 5 days a week trying to earn a living and still do not have benefits. Their children are doing without.

Yes, it is true, we are talking about senior citizens in nursing homes. Medicaid pays for two out of three residents in nursing homes, one out of ten residents in assisted living facilities in addition to home-based and community-based care. We are talking about 52 million children, disabled persons, persons living with AIDS, parents, senior citizens who rely on Medicaid.

Is this what fiscal discipline is really about? Is this what we want to cut in this budget?

The Blue Dog budget, the Black Caucus budget and our Democratic alter-

native leave Medicaid intact because that is what government is supposed to do, help people when they need health care.

Mr. HENSARLING. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. HERGER).

□ 1445

Mr. HERGER. Mr. Chairman, I rise in support of the Hensarling substitute budget. This budget sets priorities by fully funding the President's defense and homeland security requests while calling for a 1 percent reduction in the rest of the discretionary budget.

The budget addresses waste in non-Social Security mandatory spending by reducing it by just 1 cent out of each dollar. This budget protects the recent tax relief from increases for working families, parents and married couples and provides new tax relief that is necessary to strengthen the economic recovery.

Finally, this budget begins fixing the broken Federal budget process by requiring a stand-alone vote to bypass any budget enforcement mechanism and therefore stopping the practice of labeling regular spending as emergencies.

I urge my colleagues to vote for the Hensarling amendment.

Mr. NUSSLE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we just heard an interesting speech about Medicaid cuts. So, on the one hand, it is okay when you put a Medicare cut into your budget, and then come to the floor and say, do not worry about the Medicare cut in the Democratic substitute, do not worry about that, look over here at the Republican budget where they are cutting Medicaid.

Let me tell Members what is happening to Medicaid.

Let us assume for a moment that was coming out of Medicaid, \$2 billion was coming out of Medicaid. Sounds like a lot of money; it is a lot of money, particularly if you are a small business back home and people are trying to raise taxes.

Let me show what happens to Medicaid with and without the reform. Instead of spending \$1.15 trillion over the next 5 years, we are saying there are States out there that the Department of Health and Human Services has discovered are wasting or transferring approximately \$9 billion per year of what the Secretary of Health and Human Services said were suspicious transfers or suspicious spending. Not one penny of that, he is claiming, is going to nursing homes or seniors, not one penny. He is saying it is suspicious because the States are playing games with that money.

So what we say is, we want to look for that money and find out whether or not the States are doing that. We want to see if we can provide some of that savings, and we want to put it back into the program so it actually goes to nursing homes and actually goes to

people who are in poverty or people who do not have health care or kids in the SCHIP program.

So what we are saying within our budget is, when we find savings, because maybe some States are abusing this program or maybe others are abusing that program, let us take that waste and put it back into the budget so we have a better health care system for our people who are indigent.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself the balance of my time.

The gentleman from Iowa (Mr. NUSSLE), who specializes every year in this budget, cutting Medicare, cutting Medicaid, cutting SCHIP, cutting programs which protect health in this country, the gentleman from Iowa knows better.

The fact is, our budget has \$800 million in Medicare more than their budget. Their budget does a much better job of taking health care, Medicare dollars and shoveling them to insurance company HMOs. The President said it was only \$14 billion insurance subsidies, taxpayer subsidies to insurance companies, under the Medicare bill until he signed the bill, then he acknowledged we are shoveling \$46 billion in direct subsidies to insurance companies which also happen to be major political contributors to the President and to the Republican majority, not too different from drug company contributions to my friends on the other side of the aisle, the other major beneficiary of the Medicare bill.

The Medicaid bill is not just a question of Republicans not reducing government spending, they are shifting the burden to the States. California loses \$226 million in Medicaid funding; Florida loses \$90 million; Ohio, \$87 million; Michigan, \$60 million, and on and on.

Medicaid covers 70 percent of the nursing homes in this country. If we pass the Democratic substitute, we are putting America's seniors ahead of HMOs. If we pass the Republican substitute, we are leaving seniors and disabled Americans on their own.

Mr. HENSARLING. Mr. Chairman, I yield myself 15 seconds.

Medicaid spending is up 89 percent since 1995, and if the other side is concerned about the affordability of health care, perhaps they would join us in doing something about tort reform, medical liability reform and excess government regulation.

Mr. Chairman, I yield 1 minute to the gentleman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Chairman, I rise to thank the gentleman from Iowa (Mr. NUSSLE) for presenting a budget that cuts spending and continues the tax relief passed by Congress last year, and also to thank the gentleman from Texas (Mr. HENSARLING) for his work on our RSC budget, which is the most ambitious of our efforts.

The RSC budget and the Budget Committee version differ in two areas: First, the deficit is cut in half within 3

years in the RSC budget, 1 year earlier than the committee-reported budget. It is \$63 billion lower over the next 5 years as compared to the committee-reported budget; and while the committee budget does include measures to enforce the budget provisions, the RSC substitute includes the budget process reforms that are a critical first step to long-term change in how we spend.

The RSC budget includes elements of the Family Budget Protection Act to make it more difficult for future Congresses to bypass spending ceilings and allows appropriations savings to apply to tax relief or deficit reduction.

I call on my colleagues to vote in favor of the RSC budget amendment to make a major step toward fiscal responsibility.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Chairman, I want to speak today and rise in support of the Republican Study Committee budget because it is a wonderful budget. I also commend the gentleman from Iowa (Mr. NUSSLE) for doing an excellent job.

There are two things that these budgets have in common that the other budgets that came to the floor do not have in common: Number one, these budgets get us to a balance quickly, and they do so without raising taxes by holding the line on spending.

Specifically, the Study Committee budget cuts the budget in half in 3 years, and it does so by making sure that not only do we never let tax increases occur over the next decade, but also by reducing spending. This is where our priorities need to lie.

The other budgets which have been brought to the floor say they are going to balance the budget in a fairly quick time. How do they do it? They raise taxes. They are trying to make sure that the tax relief that was put out to the American people this year, that is helping encourage this economic recovery that is well under way, goes away.

We cannot afford to pull the rug out from under this economic recovery. These tax relief measures that passed, that help get recovery under way, need to stay in law. The Study Committee budget cuts spending, gets the deficit cut in half in 3 years, and makes sure that every tax cut that the American worker, the American economy, receives stays in place.

I encourage Members to vote for the Study Committee budget, and I thank the Committee on the Budget itself for doing an excellent job of producing a good, lean budget, both of which are leaner than the budget the President brought to Congress.

This is a good day for us because finally we are getting a handle on the spending in Washington. Let us pass these budgets and move on to getting this job done.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. SHADEGG).

Mr. SHADEGG. Mr. Chairman, I commend the Budget Committee and the gentleman from Iowa for their work. The Republican budget is, in fact, a very solid step in the right direction, and it deserves the support of our Members.

I rise, however, in support of the RSC budget because I believe it is one step better than the Republican budget, and I urge my colleagues to support it.

I cannot engage in this debate without commenting on how really sad it is that to too many people across our country this looks like a complicated debate with a lot of fighting back and forth about technicalities. Yet in reality it is very simple, but here is how it gets complicated.

A few moments ago the gentleman from Massachusetts (Mr. MARKEY) said these Republicans are cutting, and he said GOP does not stand for Grand Old Party, it stands for Get Old People. But if Members listen carefully to his words, the first time he said "cut," he wanted to induce the belief that the Republican budget, the budget put forward by the gentleman from Iowa (Mr. NUSSLE), was in fact reducing the amount of spending for the research programs he discussed. But the gentleman is a smart Member, and he was very careful in his next comment.

What the gentleman said, and I wrote it down as I listened carefully, he said "by refusing to fund the increases," they are doing this, this and this.

That is the essence of this debate. One side of the aisle says fund the increase, fund the increase, fund the increase. And their fundamental complaint is the rate of growth we have had in this budget, 3.5 percent is not enough.

But let us look at the history. The history is not a 3.5 percent growth, which it might be in the current budget. Let us talk about the real growth.

For the last 3 years in America, notwithstanding the complaints from the other side of the aisle, we have not had a problem with Americans being undertaxed, we have had a problem with Congress overspending, and here are the hard, indisputable numbers. From 2001 to 2002, we increased spending by 10.7 percent, almost 11 percent in that 1 year. In the next year, from 2002 to 2003, we increased it by 15.6 percent; and last year, we said, wait a minute, we said, we had better slow down, and we increased it by just 3 percent. That is almost 30 percent in 3 years.

What the RSC budget says, what the Republican budget says to a slightly less degree is having grown spending by more than 10 percent a year over the last 3 years, it is time to take a break, it is time to slow down. So the RSC budget does not say, let us freeze for 1 year, let us have a small, modest 1 percent cut in nondefense, nondiscretionary spending.

Make no mistake about it, they want to raise taxes. It is not about cutting spending, it is about not increasing

spending, which is what their budget does.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to build on the comments by the gentleman from Arizona (Mr. SHADEGG) because he made them so well.

In Washington, a cut, the definition of a cut and listen to this, if you ask for one thing and it is an increase and you do not quite get the increase you want, then you are cut.

It is like my son, and I hope he is not listening. If my son came to me and he asked me for a \$10-a-month allowance, and I only gave him an \$8 allowance, would it be fair for him to scream that he was being cut \$2? Of course not, because that is just not the way things work. It does not make sense.

In Washington, however, when you do not get the anticipated increase you ask for, you can scream bloody murder that you have been cut. Unfortunately, time and time again Members come to the well or the floor here and they say we have been cut, we are gouging or we are eliminating spending, when in fact all we are saying is let us not grow as fast.

Mr. HENSARLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I thank the gentleman for putting together such a great budget. I also thank the gentleman from Iowa (Mr. NUSSLE) for working so hard to keep spending under control on the nondefense discretionary side.

The talk about what is a cut and what is not is intriguing. I think my kids if they knew how much a cut meant in terms of extra income, they would ask for a cut in their allowance every day. If we look over the last decade and what the Democrats are calling a cut, we have actually increased spending five- and sixfold at times.

□ 1500

So it is not a cut at all. But I just appreciate this budget, the RSC budget, because we are actually doing what we said we would do when we came to Washington. When we came to Washington, we said that we were going to restrain the growth of spending. This budget actually does that. The Democrat budget, the Democrat alternatives, every one of them does not do that. They actually increase spending and increase taxes. So if we really want to restrain growth in government, we have got to actually see some reductions. That is what the RSC budget does. I appreciate the gentleman for bringing it forward. I encourage all of my colleagues to vote for it.

Mr. NUSSLE. Mr. Chairman, I ask unanimous consent that my remaining time in opposition be allowed to be split, 3 minutes to the gentleman from Texas (Mr. HENSARLING), 3 minutes to the gentleman from South Carolina (Mr. SPRATT), and that they be allowed to control that time.

The CHAIRMAN pro tempore (Mr. LINDER). Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume. Again, budgets are about values. They are about priorities. This is a budget that indeed values less government and more freedom. It prioritizes the family budget over the Federal budget. We have had a lot of talk about the deficit, and the deficit is a very serious problem in our Nation. But the deficit again, Mr. Chairman, is a symptom. Spending is the disease in our society. By any measure, it is spending which is out of control. When we are spending over \$20,000 per American household for the first time since World War II and for only the fourth time in our Nation's history, spending is out of control. We hear about all of these massive cuts. But, Mr. Chairman, I do not see them. Since 1995, Medicare spending is up 54.6 percent. Medicaid spending is up 89 percent; Labor-HHS Education appropriations since 1998 are up 71.6 percent; Interior appropriations in the same time period are up 42.1 percent. And the list goes on, always outstripping the rate of inflation.

But, unfortunately, the same is not true with the family budget. Since I have been on the face of the planet, the Federal budget has grown seven times faster than the family budget. I believe this is an unsustainable and unconscionable growth rate. It is time for us to finally protect the family budget from the Federal budget.

By adopting the Republican Study Committee alternative, we take the first step towards doing that. We have had a lot of debate about tax relief as well, and we certainly have a philosophical debate with our friends on the other side of the aisle. But, Mr. Chairman, once again, we have cut tax rates; and guess what, we have more tax revenues because we have given tax relief to small businesses, we have given tax relief to families. They have gone out, they have rolled up their sleeves, they have created new businesses, they have expanded their businesses. This should not be news. The same was true during the Reagan administration. We cut rates, and we had more tax revenue. The same was true in the Kennedy administration. It is the thing to do when you are facing a recession, put money in the pockets of the people.

Our friends on the other side of the aisle speak about spending priorities. I, too, want to spend more money on housing. I want to spend more money on nutrition. I want to spend more money on health care. I am just not indifferent as to who does the spending. Democrats want the government to do the spending. We want families to do the spending. And we know the difference. The family is who needs to be protected in this budget process, Mr. Chairman. Once again there is only one budget here, one budget that will actually reduce the size of government, and

that is the Republican Study Committee alternative.

And so, Mr. Chairman, in conclusion, if budgets are indeed about values and priorities, this is a budget that values less government and more freedom. It is a budget which prioritizes the family budget over the Federal budget. I encourage my colleagues to adopt it.

Mr. Chairman, I yield back the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, the gentleman just said that we have cut taxes and revenues have gone up. In fact, taxes were cut in 2001. Revenues, individual income taxes were \$994 billion that year. The next year they went down to \$858 billion. The next year down to \$793 billion. This year the estimate is \$765 billion, well below the \$994 billion level when taxes were cut on individuals. The facts simply do not bear out the statement he made.

Let me also straighten out some other facts. First with respect to Medicare. The chairman, in putting together his mark, decided that he would adopt the CBO baseline for Medicare spending as opposed to the OMB baseline, which was \$535 billion. CBO is \$400 billion. So ignoring the President's actuaries, he put in the lower number. We, in order to have an apples-to-apples comparison with that resolution, have adopted the CBO baseline. Also, there is no difference between us in Medicare benefit spending. However, because the administration of the program can be improved, we provide \$805 million more over 5 years for Medicare administration.

Also, on the mandatory side, we provide \$8 billion for the Family Opportunity Act, an act that has enjoyed bipartisan support because it provides Medicaid coverage to children with special needs in families who otherwise would not qualify for Medicaid and cannot obtain private insurance. This is compassionate conservatism. We provided \$8 billion to fund that program so we can finally get it established, and we added two more provisions in our budget resolution.

First, we said if the price of Medicare, in fact, exceeds \$400 billion, then the prohibition against negotiating drug prices included in the Medicare prescription drug law should be suspended and we should negotiate lower prices. Secondly, we said take some of the excessive subsidies provided for the HMOs and redeploy that money. In the Committee on Ways and Means, we have got reconciliation instructions to that effect. Redeploy that money to make the Medicare prescription drug benefit better. We have a manifestly better set of provisions for Medicare and Medicaid in our budget resolution.

Mr. Chairman, I yield the balance of my time to the gentlewoman from Oregon (Ms. HOOLEY).

The CHAIRMAN pro tempore. The gentlewoman from Oregon is recognized for 1½ minutes.

Ms. HOOLEY of Oregon. I thank the ranking member for yielding time and thank him for his leadership throughout this whole process.

Mr. Chairman, a budget resolution is all about priorities. I think few people here would disagree that education has to be one of our top priorities. All we have to do is look around at what is happening today. We have jobs being shipped overseas. We are retooling some of our manufacturing plants. What are our jobs going to be in the future? What do they require? The one thing we know they require is a good education. This underlying budget and the alternative fail our children, fail to provide the investment we need in our future.

Last Congress, we passed sweeping education reforms. We said we want to have the best educated children in the world. We want to make sure that they live up to our expectations. But part of that agreement was funding. This budget leaves children behind. It does not fund Leave No Child Behind. We promised 29 years ago we were going to make sure that children with disabilities, that that was funded so our local schools would not have to pick up the whole piece of that. Last year in our Budget Committee we said, this is a good idea, Republicans and Democrats agreed that we should fully fund IDEA; and we said, we are going to have it done by 2010. This year if you look at the budget starting in 2005, it increases by a half a percent a year, which means we will never get there. We said it is important to make sure that our students have higher education, that that is important. Yet we have not increased Pell grants.

The budget is a reflection of our national priorities. Our alternative does better at meeting those priorities than the Republican budget. I urge my colleagues to oppose the Republican budget and support the Democratic alternative.

The CHAIRMAN pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

## RECORDED VOTE

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 116, noes 309, not voting 8, as follows:

[Roll No. 90]

AYES—116

Akin	Boehner	Chabot
Bachus	Bonner	Chocola
Ballenger	Boozman	Coble
Barrett (SC)	Brady (TX)	Cole
Bartlett (MD)	Brown-Waite,	Collins
Barton (TX)	Ginny	Cox
Beauprez	Burgess	Crane
Biggert	Burton (IN)	Cubin
Bishop (UT)	Cannon	Culberson
Blackburn	Cantor	Cunningham
Blunt	Carter	Davis, Jo Ann

Deal (GA)	Istook	Radanovich
DeLay	Johnson, Sam	Ramstad
DeMint	Jones (NC)	Rehberg
Diaz-Balart, M.	Keller	Rohrabacher
Doolittle	Kennedy (MN)	Royce
Dunn	King (IA)	Ryan (WI)
English	Kingston	Ryun (KS)
Feeney	Kline	Schrock
Flake	Linder	Scott (GA)
Forbes	Manzullo	Sensenbrenner
Franks (AZ)	McCrery	Sessions
Gallegly	McKeon	Shadegg
Garrett (NJ)	Miller (FL)	Shimkus
Gibbons	Miller, Gary	Shuster
Gingrey	Moran (KS)	Simpson
Goode	Murphy	Smith (MI)
Goodlatte	Musgrave	Smith (TX)
Gutknecht	Myrick	Stearns
Harris	Neugebauer	Sullivan
Hart	Norwood	Tancredo
Hastings (WA)	Nunes	Taylor (NC)
Hayworth	Ose	Terry
Hefley	Otter	Thornberry
Hensarling	Oxley	Tiaht
Hergert	Paul	Toomey
Hoekstra	Pitts	Vitter
Hunter	Pombo	Weller
Isakson	Putnam	Wilson (SC)

## NOES—309

Ackerman	Dingell	Kanjorski
Aderholt	Doggett	Kaptur
Alexander	Dooley (CA)	Kelly
Allen	Doyle	Kennedy (RI)
Andrews	Dreier	Kildee
Baca	Duncan	Kilpatrick
Baird	Edwards	Kind
Baker	Ehlers	King (NY)
Baldwin	Emanuel	Kirk
Ballance	Emerson	Kleczka
Bass	Engel	Knollenberg
Becerra	Eshoo	Kolbe
Bell	Etheridge	Kucinich
Bereuter	Evans	LaHood
Berkley	Everett	Lampson
Berman	Farr	Langevin
Berry	Fattah	Lantos
Bilirakis	Ferguson	Larsen (WA)
Bishop (GA)	Filner	Larson (CT)
Bishop (NY)	Foley	Latham
Blumenauer	Ford	LaTourette
Boehlt	Fossella	Leach
Bonilla	Frank (MA)	Lee
Bono	Frelinghuysen	Levin
Boswell	Frost	Lewis (CA)
Boucher	Gephardt	Lewis (GA)
Boyd	Gerlach	Lewis (KY)
Bradley (NH)	Gilchrest	Lipinski
Brady (PA)	Gillmor	LoBiondo
Brown (OH)	Gonzalez	Lofgren
Brown (SC)	Gordon	Lowey
Brown, Corrine	Goss	Lucas (OK)
Burns	Granger	Lynch
Burr	Graves	Majette
Buyer	Green (TX)	Maloney
Calvert	Green (WI)	Markey
Camp	Greenwood	Marshall
Capito	Grijalva	Matheson
Capps	Gutierrez	Matsui
Capuano	Hall	McCarthy (MO)
Cardin	Harman	McCarthy (NY)
Cardoza	Hastings (FL)	McCollum
Carson (IN)	Hayes	McCotter
Carson (OK)	Hill	McDermott
Case	Hinche	McGovern
Castle	Hinojosa	McHugh
Chandler	Hobson	McIntyre
Clay	Holden	McNulty
Clyburn	Holt	Meehan
Conyers	Honda	Meek (FL)
Cooper	Hooley (OR)	Meeks (NY)
Costello	Hostettler	Menendez
Cramer	Houghton	Mica
Crenshaw	Hoyer	Michaud
Crowley	Hulshof	Millender-
Cummings	Hyde	McDonald
Davis (AL)	Insee	Miller (MI)
Davis (CA)	Israel	Miller (NC)
Davis (FL)	Issa	Miller, George
Davis (IL)	Jackson (IL)	Mollohan
Davis (TN)	Jackson-Lee	Moore
Davis, Tom	(TX)	Moran (VA)
DeFazio	Jefferson	Murtha
DeGette	Jenkins	Nadler
Delahunt	John	Napolitano
DeLauro	Johnson (CT)	Neal (MA)
Deutsch	Johnson (IL)	Nethercutt
Diaz-Balart, L.	Johnson, E. B.	Ney
Dicks	Jones (OH)	Northup

Nussle	Rothman	Taylor (MS)
Oberstar	Roybal-Allard	Thomas
Obey	Ruppersberger	Thompson (CA)
Olver	Rush	Thompson (MS)
Ortiz	Ryan (OH)	Tiberi
Osborne	Sabo	Tierney
Owens	Sánchez, Linda	Towns
Pallone	T.	Turner (OH)
Pascarell	Sanchez, Loretta	Turner (TX)
Pastor	Sanders	Udall (CO)
Payne	Sandlin	Udall (NM)
Pearce	Saxton	Upton
Pelosi	Schakowsky	Van Hollen
Peterson (MN)	Schiff	Velázquez
Peterson (PA)	Scott (VA)	Visclosky
Petri	Serrano	Walden (OR)
Pickering	Shaw	Walsh
Platts	Shays	Wamp
Pomeroy	Sherman	Waters
Porter	Sherwood	Watson
Portman	Simmons	Watt
Price (NC)	Skelton	Waxman
Pryce (OH)	Slaughter	Weiner
Rahall	Smith (NJ)	Weldon (FL)
Rangel	Smith (WA)	Weldon (PA)
Regula	Snyder	Wexler
Renzi	Solis	Whitfield
Reyes	Souder	Wicker
Reynolds	Spratt	Wilson (NM)
Rodriguez	Stark	Wolf
Rogers (AL)	Stenholm	Woolsey
Rogers (KY)	Strickland	Wu
Rogers (MI)	Stupak	Wynn
Ros-Lehtinen	Sweeney	Young (AK)
Ross	Tauscher	Young (FL)

## NOT VOTING—8

Abercrombie	McInnis	Tanner
Hoefel	Pence	Tauzin
Lucas (KY)	Quinn	

## ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1532

Mr. BILIRAKIS, Mrs. BONO, and Mr. EVERETT changed their vote from "aye" to "no."

Messrs. MILLER of Florida, CRANE, FORBES, SULLIVAN, MCCRERY, and RAMSTAD changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mr. SCOTT of Georgia. Mr. Chairman, during rollcall vote No. 90, on the Hensarling amendment, I mistakenly recorded my vote as "yea" when I should have voted "no."

## PERSONAL EXPLANATION

Mr. PENCE. Mr. Chairman, I was detained in my district for a funeral earlier today. Had I been present, I would have voted in the following manner: Rollcall 84 (Previous Question on H. Con. Res. 33)—"aye"; rollcall 85 (Bureau of Engraving and Printing Security Printing Act)—"aye"; rollcall 86 (District of Columbia and United States Territories Circulating Quarter Dollar Program)—"aye"; rollcall 87 (An Act to authorize the President of the United States to agree to certain amendments to the Agreements between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank)—"aye"; rollcall 88 (Congressional Black Caucus)—"no"; rollcall 89 (Blue Dog)—"no"; rollcall 90 (Republican Study Committee)—"aye."

□ 1530

The CHAIRMAN. It is now in order to consider amendment in the nature of a substitute No. 4 printed in House Report 108-446.

AMENDMENT NO. 4 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SPRATT

Mr. SPRATT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Chairman. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment in the nature of a substitute No. 4 offered by Mr. SPRATT:

Strike all after the resolving clause and insert the following:

**SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005.**

The Congress declares that the concurrent resolution on the budget for fiscal year 2005 is hereby established and that the appropriate levels for fiscal years 2004 and 2006 through 2014 are hereby set forth.

**SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.**

The following budgetary levels are appropriate for each of fiscal years 2004 through 2014:

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

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

Fiscal year 2004: \$1,272,700,000,000.  
Fiscal year 2005: \$1,468,600,000,000.  
Fiscal year 2006: \$1,637,300,000,000.  
Fiscal year 2007: \$1,759,100,000,000.  
Fiscal year 2008: \$1,854,700,000,000.  
Fiscal year 2009: \$1,965,800,000,000.  
Fiscal year 2010: \$2,075,800,000,000.  
Fiscal year 2011: \$2,290,100,000,000.  
Fiscal year 2012: \$2,494,600,000,000.  
Fiscal year 2013: \$2,628,900,000,000.  
Fiscal year 2014: \$2,773,500,000,000.

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

Fiscal year 2004: —\$100,000,000.  
Fiscal year 2005: —\$8,600,000,000.  
Fiscal year 2006: —\$16,900,000,000.  
Fiscal year 2007: \$4,200,000,000.  
Fiscal year 2008: \$8,900,000,000.  
Fiscal year 2009: \$12,700,000,000.  
Fiscal year 2010: \$12,200,000,000.  
Fiscal year 2011: \$8,500,000,000.  
Fiscal year 2012: \$10,200,000,000.  
Fiscal year 2013: \$10,900,000,000.  
Fiscal year 2014: \$11,600,000,000.

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

Fiscal year 2004: \$1,958,600,000,000.  
Fiscal year 2005: \$2,031,900,000,000.  
Fiscal year 2006: \$2,087,300,000,000.  
Fiscal year 2007: \$2,220,200,000,000.  
Fiscal year 2008: \$2,343,600,000,000.  
Fiscal year 2009: \$2,470,500,000,000.  
Fiscal year 2010: \$2,576,700,000,000.  
Fiscal year 2011: \$2,699,400,000,000.  
Fiscal year 2012: \$2,778,100,000,000.  
Fiscal year 2013: \$2,905,800,000,000.  
Fiscal year 2014: \$3,033,300,000,000.

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

Fiscal year 2004: \$1,917,600,000,000.  
Fiscal year 2005: \$2,015,800,000,000.  
Fiscal year 2006: \$2,094,000,000,000.  
Fiscal year 2007: \$2,194,000,000,000.  
Fiscal year 2008: \$2,305,700,000,000.  
Fiscal year 2009: \$2,427,200,000,000.  
Fiscal year 2010: \$2,542,800,000,000.  
Fiscal year 2011: \$2,674,000,000,000.

Fiscal year 2012: \$2,746,200,000,000.

Fiscal year 2013: \$2,879,000,000,000.

Fiscal year 2014: \$3,006,300,000,000.

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

Fiscal year 2004: —\$644,900,000,000.  
Fiscal year 2005: —\$547,300,000,000.  
Fiscal year 2006: —\$456,700,000,000.  
Fiscal year 2007: —\$434,900,000,000.  
Fiscal year 2008: —\$451,100,000,000.  
Fiscal year 2009: —\$461,400,000,000.  
Fiscal year 2010: —\$467,000,000,000.  
Fiscal year 2011: —\$383,900,000,000.  
Fiscal year 2012: —\$251,600,000,000.  
Fiscal year 2013: —\$250,100,000,000.  
Fiscal year 2014: —\$232,900,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 2004: \$7,442,400,000,000.  
Fiscal year 2005: \$8,090,100,000,000.  
Fiscal year 2006: \$8,671,000,000,000.  
Fiscal year 2007: \$9,227,000,000,000.  
Fiscal year 2008: \$9,799,200,000,000.  
Fiscal year 2009: \$10,384,600,000,000.  
Fiscal year 2010: \$10,978,600,000,000.  
Fiscal year 2011: \$11,488,000,000,000.  
Fiscal year 2012: \$11,880,700,000,000.  
Fiscal year 2013: \$12,267,100,000,000.  
Fiscal year 2014: \$12,638,200,000,000.

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

Fiscal year 2004: \$4,392,000,000,000.  
Fiscal year 2005: \$4,778,500,000,000.  
Fiscal year 2006: \$5,055,900,000,000.  
Fiscal year 2007: \$5,295,500,000,000.  
Fiscal year 2008: \$5,535,700,000,000.  
Fiscal year 2009: \$5,772,500,000,000.  
Fiscal year 2010: \$6,001,600,000,000.  
Fiscal year 2011: \$6,133,900,000,000.  
Fiscal year 2012: \$6,125,000,000,000.  
Fiscal year 2013: \$6,107,600,000,000.  
Fiscal year 2014: \$6,066,700,000,000.

**SEC. 3. MAJOR FUNCTIONAL CATEGORIES.**

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2004 through 2014 for each major functional category are:

(1) National Defense (050):

Fiscal year 2004:

(A) New budget authority, \$463,600,000,000.

(B) Outlays, \$453,000,000,000.

Fiscal year 2005:

(A) New budget authority, \$422,200,000,000.

(B) Outlays, \$448,300,000,000.

Fiscal year 2006:

(A) New budget authority, \$445,700,000,000.

(B) Outlays, \$441,500,000,000.

Fiscal year 2007:

(A) New budget authority, \$466,700,000,000.

(B) Outlays, \$448,400,000,000.

Fiscal year 2008:

(A) New budget authority, \$488,000,000,000.

(B) Outlays, \$467,500,000,000.

Fiscal year 2009:

(A) New budget authority, \$510,400,000,000.

(B) Outlays, \$489,300,000,000.

Fiscal year 2010:

(A) New budget authority, \$522,600,000,000.

(B) Outlays, \$508,900,000,000.

Fiscal year 2011:

(A) New budget authority, \$533,600,000,000.

(B) Outlays, \$528,900,000,000.

Fiscal year 2012:

(A) New budget authority, \$545,900,000,000.

(B) Outlays, \$534,200,000,000.

Fiscal year 2013:

(A) New budget authority, \$558,200,000,000.

(B) Outlays, \$551,000,000,000.

Fiscal year 2014:

(A) New budget authority, \$572,000,000,000.

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

(2) International Affairs (150):

Fiscal year 2004:

(A) New budget authority, \$43,700,000,000.

(B) Outlays, \$29,300,000,000.

Fiscal year 2005:

(A) New budget authority, \$29,100,000,000.

(B) Outlays, \$34,000,000,000.

Fiscal year 2006:

(A) New budget authority, \$30,700,000,000.

(B) Outlays, \$32,000,000,000.

Fiscal year 2007:

(A) New budget authority, \$31,300,000,000.

(B) Outlays, \$29,400,000,000.

Fiscal year 2008:

(A) New budget authority, \$31,900,000,000.

(B) Outlays, \$28,600,000,000.

Fiscal year 2009:

(A) New budget authority, \$32,600,000,000.

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

Fiscal year 2010:

(A) New budget authority, \$33,300,000,000.

(B) Outlays, \$29,400,000,000.

Fiscal year 2011:

(A) New budget authority, \$34,000,000,000.

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

Fiscal year 2012:

(A) New budget authority, \$34,700,000,000.

(B) Outlays, \$30,500,000,000.

Fiscal year 2013:

(A) New budget authority, \$35,400,000,000.

(B) Outlays, \$31,200,000,000.

Fiscal year 2014:

(A) New budget authority, \$36,200,000,000.

(B) Outlays, \$31,900,000,000.

(250) General Science, Space, and Technology

Fiscal year 2004:

(A) New budget authority, \$23,400,000,000.

(B) Outlays, \$22,300,000,000.

Fiscal year 2005:

(A) New budget authority, \$23,800,000,000.

(B) Outlays, \$23,200,000,000.

Fiscal year 2006:

(A) New budget authority, \$24,100,000,000.

(B) Outlays, \$23,700,000,000.

Fiscal year 2007:

(A) New budget authority, \$24,600,000,000.

(B) Outlays, \$24,100,000,000.

Fiscal year 2008:

(A) New budget authority, \$25,100,000,000.

(B) Outlays, \$24,500,000,000.

Fiscal year 2009:

(A) New budget authority, \$25,700,000,000.

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

Fiscal year 2010:

(A) New budget authority, \$26,200,000,000.

(B) Outlays, \$25,500,000,000.

Fiscal year 2011:

(A) New budget authority, \$26,800,000,000.

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

Fiscal year 2012:

(A) New budget authority, \$27,300,000,000.

(B) Outlays, \$26,600,000,000.

Fiscal year 2013:

(A) New budget authority, \$27,900,000,000.

(B) Outlays, \$27,100,000,000.

Fiscal year 2014:

(A) New budget authority, \$28,500,000,000.

(B) Outlays, \$27,700,000,000.

(4) Energy (270):

Fiscal year 2004:

(A) New budget authority, \$2,400,000,000.

(B) Outlays, \$100,000,000.

Fiscal year 2005:

(A) New budget authority, \$2,500,000,000.

(B) Outlays, \$800,000,000.

Fiscal year 2006:

(A) New budget authority, \$2,400,000,000.

(B) Outlays, \$1,200,000,000.

Fiscal year 2007:

(A) New budget authority, \$2,400,000,000.

(B) Outlays, \$800,000,000.

Fiscal year 2008:

(A) New budget authority, \$2,400,000,000.

(B) Outlays, \$400,000,000.

Fiscal year 2009:

(A) New budget authority, \$2,100,000,000.

(B) Outlays, \$700,000,000.

Fiscal year 2010:

(A) New budget authority, \$2,300,000,000.

(B) Outlays, \$800,000,000.

Fiscal year 2011:

<p>(A) New budget authority, \$2,400,000,000. (B) Outlays, \$1,000,000,000. Fiscal year 2012: (A) New budget authority, \$2,500,000,000. (B) Outlays, \$1,400,000,000. Fiscal year 2013: (A) New budget authority, \$2,500,000,000. (B) Outlays, \$1,400,000,000. (A) New budget authority, Fiscal year 2014: \$2,600,000,000. (B) Outlays, \$1,800,000,000. (5) Natural Resources and Environment (300): Fiscal year 2004: (A) New budget authority, \$32,300,000,000. (B) Outlays, \$30,500,000,000. Fiscal year 2005: (A) New budget authority, \$33,600,000,000. (B) Outlays, \$32,300,000,000. Fiscal year 2006: (A) New budget authority, \$34,400,000,000. (B) Outlays, \$34,300,000,000. Fiscal year 2007: (A) New budget authority, \$35,400,000,000. (B) Outlays, \$35,300,000,000. Fiscal year 2008: (A) New budget authority, \$36,300,000,000. (B) Outlays, \$36,000,000,000. Fiscal year 2009: (A) New budget authority, \$37,800,000,000. (B) Outlays, \$37,400,000,000. Fiscal year 2010: (A) New budget authority, \$38,600,000,000. (B) Outlays, \$37,900,000,000. Fiscal year 2011: (A) New budget authority, \$39,500,000,000. (B) Outlays, \$38,700,000,000. Fiscal year 2012: (A) New budget authority, \$40,400,000,000. (B) Outlays, \$39,500,000,000. Fiscal year 2013: (A) New budget authority, \$41,300,000,000. (B) Outlays, \$40,400,000,000. Fiscal year 2014: (A) New budget authority, \$42,400,000,000. (B) Outlays, \$41,400,000,000. (6) Agriculture (350): Fiscal year 2004: (A) New budget authority, \$20,200,000,000. (B) Outlays, \$18,800,000,000. Fiscal year 2005: (A) New budget authority, \$21,700,000,000. (B) Outlays, \$21,000,000,000. Fiscal year 2006: (A) New budget authority, \$24,100,000,000. (B) Outlays, \$22,900,000,000. Fiscal year 2007: (A) New budget authority, \$25,100,000,000. (B) Outlays, \$23,900,000,000. Fiscal year 2008: (A) New budget authority, \$25,100,000,000. (B) Outlays, \$24,000,000,000. Fiscal year 2009: (A) New budget authority, \$26,200,000,000. (B) Outlays, \$25,200,000,000. Fiscal year 2010: (A) New budget authority, \$26,400,000,000. (B) Outlays, \$25,500,000,000. Fiscal year 2011: (A) New budget authority, \$26,400,000,000. (B) Outlays, \$25,600,000,000. Fiscal year 2012: (A) New budget authority, \$26,300,000,000. (B) Outlays, \$25,500,000,000. Fiscal year 2013: (A) New budget authority, \$26,300,000,000. (B) Outlays, \$25,500,000,000. Fiscal year 2014: (A) New budget authority, \$26,300,000,000. (B) Outlays, \$25,500,000,000. (7) Commerce and Housing Credit (370): Fiscal year 2004: (A) New budget authority, \$17,200,000,000. (B) Outlays, \$12,800,000,000. Fiscal year 2005: (A) New budget authority, \$8,900,000,000. (B) Outlays, \$3,700,000,000. Fiscal year 2006:</p>	<p>(A) New budget authority, \$9,400,000,000. (B) Outlays, \$3,700,000,000. Fiscal year 2007: (A) New budget authority, \$10,000,000,000. (B) Outlays, \$4,200,000,000. Fiscal year 2008: (A) New budget authority, \$10,300,000,000. (B) Outlays, \$3,500,000,000. Fiscal year 2009: (A) New budget authority, \$10,900,000,000. (B) Outlays, \$3,800,000,000. Fiscal year 2010: (A) New budget authority, \$11,100,000,000. (B) Outlays, \$4,200,000,000. Fiscal year 2011: (A) New budget authority, \$9,800,000,000. (B) Outlays, \$2,900,000,000. Fiscal year 2012: (A) New budget authority, \$9,900,000,000. (B) Outlays, \$3,200,000,000. Fiscal year 2013: (A) New budget authority, \$10,100,000,000. (B) Outlays, \$3,100,000,000. Fiscal year 2014: (A) New budget authority, \$10,200,000,000. (B) Outlays, \$3,200,000,000. (8) Transportation (400): Fiscal year 2004: (A) New budget authority, \$69,200,000,000. (B) Outlays, \$65,700,000,000. Fiscal year 2005: (A) New budget authority, \$72,100,000,000. (B) Outlays, \$68,900,000,000. Fiscal year 2006: (A) New budget authority, \$73,500,000,000. (B) Outlays, \$71,500,000,000. Fiscal year 2007: (A) New budget authority, \$76,100,000,000. (B) Outlays, \$73,700,000,000. Fiscal year 2008: (A) New budget authority, \$78,100,000,000. (B) Outlays, \$75,500,000,000. Fiscal year 2009: (A) New budget authority, \$79,600,000,000. (B) Outlays, \$76,800,000,000. Fiscal year 2010: (A) New budget authority, \$79,400,000,000. (B) Outlays, \$76,600,000,000. Fiscal year 2011: (A) New budget authority, \$80,300,000,000. (B) Outlays, \$78,100,000,000. Fiscal year 2012: (A) New budget authority, \$81,100,000,000. (B) Outlays, \$79,700,000,000. Fiscal year 2013: (A) New budget authority, \$82,000,000,000. (B) Outlays, \$81,400,000,000. Fiscal year 2014: (A) New budget authority, \$83,000,000,000. (B) Outlays, \$83,000,000,000. (9) Community and Regional Development (450): Fiscal year 2004: (A) New budget authority, \$16,700,000,000. (B) Outlays, \$16,700,000,000. Fiscal year 2005: (A) New budget authority, \$16,000,000,000. (B) Outlays, \$17,000,000,000. Fiscal year 2006: (A) New budget authority, \$15,900,000,000. (B) Outlays, \$16,300,000,000. Fiscal year 2007: (A) New budget authority, \$16,200,000,000. (B) Outlays, \$16,300,000,000. Fiscal year 2008: (A) New budget authority, \$16,400,000,000. (B) Outlays, \$16,200,000,000. Fiscal year 2009: (A) New budget authority, \$16,800,000,000. (B) Outlays, \$16,500,000,000. Fiscal year 2010: (A) New budget authority, \$17,100,000,000. (B) Outlays, \$16,600,000,000. Fiscal year 2011: (A) New budget authority, \$17,500,000,000. (B) Outlays, \$16,700,000,000. Fiscal year 2012: (A) New budget authority, \$17,800,000,000.</p>	<p>(B) Outlays, \$17,000,000,000. Fiscal year 2013: (A) New budget authority, \$18,200,000,000. (B) Outlays, \$17,400,000,000. Fiscal year 2014: (A) New budget authority, \$18,600,000,000. (B) Outlays, \$17,700,000,000. (10) Education, Training, Employment, and Social Services (500): Fiscal year 2004: (A) New budget authority, \$89,400,000,000. (B) Outlays, \$86,400,000,000. Fiscal year 2005: (A) New budget authority, \$98,500,000,000. (B) Outlays, \$90,900,000,000. Fiscal year 2006: (A) New budget authority, \$95,700,000,000. (B) Outlays, \$95,500,000,000. Fiscal year 2007: (A) New budget authority, \$96,300,000,000. (B) Outlays, \$95,600,000,000. Fiscal year 2008: (A) New budget authority, \$96,900,000,000. (B) Outlays, \$95,800,000,000. Fiscal year 2009: (A) New budget authority, \$98,400,000,000. (B) Outlays, \$97,100,000,000. Fiscal year 2010: (A) New budget authority, \$99,800,000,000. (B) Outlays, \$98,700,000,000. Fiscal year 2011: (A) New budget authority, \$101,900,000,000. (B) Outlays, \$100,700,000,000. Fiscal year 2012: (A) New budget authority, \$103,900,000,000. (B) Outlays, \$102,800,000,000. Fiscal year 2013: (A) New budget authority, \$106,000,000,000. (B) Outlays, \$104,900,000,000. Fiscal year 2014: (A) New budget authority, \$108,200,000,000. (B) Outlays, \$107,000,000,000. (11) Health (550): Fiscal year 2004: (A) New budget authority, \$241,800,000,000. (B) Outlays, \$239,600,000,000. Fiscal year 2005: (A) New budget authority, \$254,600,000,000. (B) Outlays, \$250,900,000,000. Fiscal year 2006: (A) New budget authority, \$259,600,000,000. (B) Outlays, \$259,700,000,000. Fiscal year 2007: (A) New budget authority, \$274,300,000,000. (B) Outlays, \$273,800,000,000. Fiscal year 2008: (A) New budget authority, \$294,400,000,000. (B) Outlays, \$293,600,000,000. Fiscal year 2009: (A) New budget authority, \$316,900,000,000. (B) Outlays, \$313,900,000,000. Fiscal year 2010: (A) New budget authority, \$337,100,000,000. (B) Outlays, \$336,200,000,000. Fiscal year 2011: (A) New budget authority, \$360,900,000,000. (B) Outlays, \$359,800,000,000. Fiscal year 2012: (A) New budget authority, \$387,000,000,000. (B) Outlays, \$386,000,000,000. Fiscal year 2013: (A) New budget authority, \$415,700,000,000. (B) Outlays, \$414,400,000,000. Fiscal year 2014: (A) New budget authority, \$446,800,000,000. (B) Outlays, \$445,500,000,000. (12) Medicare (570): Fiscal year 2004: (A) New budget authority, \$269,600,000,000. (B) Outlays, \$268,800,000,000. Fiscal year 2005: (A) New budget authority, \$288,200,000,000. (B) Outlays, \$289,200,000,000. Fiscal year 2006: (A) New budget authority, \$323,000,000,000. (B) Outlays, \$322,600,000,000. Fiscal year 2007: (A) New budget authority, \$362,800,000,000.</p>
---	--	--

(B) Outlays, \$363,100,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$388,100,000,000.  
(B) Outlays, \$388,100,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$414,700,000,000.  
(B) Outlays, \$414,300,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$442,900,000,000.  
(B) Outlays, \$443,200,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$479,600,000,000.  
(B) Outlays, \$479,500,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$505,500,000,000.  
(B) Outlays, \$505,000,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$551,000,000,000.  
(B) Outlays, \$551,300,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$596,700,000,000.  
(B) Outlays, \$596,700,000,000.  
(13) Income Security (600):  
Fiscal year 2004:  
(A) New budget authority, \$335,800,000,000.  
(B) Outlays, \$342,600,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$343,300,000,000.  
(B) Outlays, \$346,200,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$343,000,000,000.  
(B) Outlays, \$345,400,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$348,900,000,000.  
(B) Outlays, \$350,900,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$363,200,000,000.  
(B) Outlays, \$364,800,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$374,000,000,000.  
(B) Outlays, \$375,100,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$386,000,000,000.  
(B) Outlays, \$386,800,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$403,000,000,000.  
(B) Outlays, \$403,600,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$393,500,000,000.  
(B) Outlays, \$394,000,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$408,100,000,000.  
(B) Outlays, \$408,500,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$419,100,000,000.  
(B) Outlays, \$419,800,000,000.  
(14) Social Security (650):  
Fiscal year 2004:  
(A) New budget authority, \$13,400,000,000.  
(B) Outlays, \$13,400,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$15,100,000,000.  
(B) Outlays, \$15,100,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$16,600,000,000.  
(B) Outlays, \$16,600,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$18,000,000,000.  
(B) Outlays, \$18,000,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$20,000,000,000.  
(B) Outlays, \$20,000,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$22,000,000,000.  
(B) Outlays, \$22,000,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$24,300,000,000.  
(B) Outlays, \$24,300,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$28,100,000,000.  
(B) Outlays, \$28,100,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$31,100,000,000.  
(B) Outlays, \$31,100,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$33,900,000,000.  
(B) Outlays, \$33,900,000,000.  
Fiscal year 2014:

(A) New budget authority, \$36,800,000,000.  
(B) Outlays, \$36,800,000,000.  
(15) Veterans Benefits and Services (700):  
Fiscal year 2004:  
(A) New budget authority, \$61,500,000,000.  
(B) Outlays, \$60,100,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$72,100,000,000.  
(B) Outlays, \$70,600,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$70,000,000,000.  
(B) Outlays, \$69,300,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$68,200,000,000.  
(B) Outlays, \$67,700,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$71,300,000,000.  
(B) Outlays, \$71,000,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$72,700,000,000.  
(B) Outlays, \$72,300,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$74,200,000,000.  
(B) Outlays, \$73,800,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$78,600,000,000.  
(B) Outlays, \$78,100,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$75,600,000,000.  
(B) Outlays, \$75,200,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$80,200,000,000.  
(B) Outlays, \$79,800,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$82,300,000,000.  
(B) Outlays, \$81,800,000,000.  
(16) Administration of Justice (750):  
Fiscal year 2004:  
(A) New budget authority, \$41,200,000,000.  
(B) Outlays, \$39,600,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$42,500,000,000.  
(B) Outlays, \$41,200,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$40,200,000,000.  
(B) Outlays, \$40,500,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$41,100,000,000.  
(B) Outlays, \$41,200,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$42,200,000,000.  
(B) Outlays, \$41,900,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$43,400,000,000.  
(B) Outlays, \$43,000,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$44,600,000,000.  
(B) Outlays, \$44,200,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$45,800,000,000.  
(B) Outlays, \$45,400,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$47,100,000,000.  
(B) Outlays, \$46,700,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$48,400,000,000.  
(B) Outlays, \$48,000,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$49,800,000,000.  
(B) Outlays, \$49,300,000,000.  
(17) General Government (800):  
Fiscal year 2004:  
(A) New budget authority, \$24,000,000,000.  
(B) Outlays, \$24,700,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$19,400,000,000.  
(B) Outlays, \$19,200,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$19,900,000,000.  
(B) Outlays, \$19,600,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$20,500,000,000.  
(B) Outlays, \$20,200,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$20,700,000,000.  
(B) Outlays, \$20,400,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$21,400,000,000.

(B) Outlays, \$20,900,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$22,100,000,000.  
(B) Outlays, \$21,600,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$22,900,000,000.  
(B) Outlays, \$22,300,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$23,600,000,000.  
(B) Outlays, \$23,300,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$24,400,000,000.  
(B) Outlays, \$23,900,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$25,200,000,000.  
(B) Outlays, \$24,600,000,000.  
(18) Interest (900):  
Fiscal year 2004:  
(A) New budget authority, \$240,500,000,000.  
(B) Outlays, \$240,500,000,000.  
Fiscal year 2005:  
(A) New budget authority, \$270,800,000,000.  
(B) Outlays, \$270,800,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$318,900,000,000.  
(B) Outlays, \$318,900,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$364,000,000,000.  
(B) Outlays, \$364,000,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$397,600,000,000.  
(B) Outlays, \$397,600,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$426,000,000,000.  
(B) Outlays, \$426,000,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$452,200,000,000.  
(B) Outlays, \$452,200,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$474,700,000,000.  
(B) Outlays, \$474,700,000,000.  
Fiscal year 2012:  
(A) New budget authority, \$493,400,000,000.  
(B) Outlays, \$493,400,000,000.  
Fiscal year 2013:  
(A) New budget authority, \$507,400,000,000.  
(B) Outlays, \$507,400,000,000.  
Fiscal year 2014:  
(A) New budget authority, \$522,400,000,000.  
(B) Outlays, \$522,400,000,000.  
(19) Allowances (920):  
Fiscal year 2004:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2005:  
(A) New budget authority, \$50,000,000,000.  
(B) Outlays, \$24,900,000,000.  
Fiscal year 2006:  
(A) New budget authority, \$0.  
(B) Outlays, \$18,600,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$0.  
(B) Outlays, \$5,100,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$0.  
(B) Outlays, \$1,000,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$0.  
(B) Outlays, \$300,000,000.  
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.  
Fiscal year 2013:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2014:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
(20) Undistributed Offsetting Receipts (950):  
Fiscal year 2004:  
(A) New budget authority, -\$47,200,000,000.  
(B) Outlays, -\$47,200,000,000.

Fiscal year 2005:

- (A) New budget authority, —\$52,500,000,000.  
(B) Outlays, —\$52,500,000,000.

Fiscal year 2006:

- (A) New budget authority, —\$59,800,000,000.  
(B) Outlays, —\$59,800,000,000.

Fiscal year 2007:

- (A) New budget authority, —\$61,800,000,000.  
(B) Outlays, —\$61,800,000,000.

Fiscal year 2008:

- (A) New budget authority, —\$64,500,000,000.  
(B) Outlays, —\$64,500,000,000.

Fiscal year 2009:

- (A) New budget authority, —\$61,200,000,000.  
(B) Outlays, —\$61,200,000,000.

Fiscal year 2010:

- (A) New budget authority, —\$63,600,000,000.  
(B) Outlays, —\$63,600,000,000.

Fiscal year 2011:

- (A) New budget authority, —\$66,100,000,000.  
(B) Outlays, —\$66,100,000,000.

Fiscal year 2012:

- (A) New budget authority, —\$68,800,000,000.  
(B) Outlays, —\$68,800,000,000.

Fiscal year 2013:

- (A) New budget authority, —\$71,400,000,000.  
(B) Outlays, —\$71,400,000,000.

Fiscal year 2014:

- (A) New budget authority, \$—73,800,000,000.  
(B) Outlays, \$—73,800,000,000.

## TITLE II—RECONCILIATION AND REPORT SUBMISSIONS

### SEC. 201. SUBMISSIONS BY THE HOUSE COMMITTEE ON WAYS AND MEANS FOR RESPONSIBLE TAX RELIEF.

(a) SUBMISSION.—Not later than October 1, 2004, the House Committee on Ways and Means shall report a reconciliation bill to the House adjusting revenues in such amounts necessary to meet the revenue targets contained in section 2 of this resolution.

(b) POLICY ASSUMPTIONS.—It is the policy of this budget resolution to balance deficit reduction with middle-income tax relief. Such tax policies shall include but not be limited to provisions that—

- (1) extend the child tax credit;
- (2) extend marriage penalty relief;
- (3) extend the 10 percent individual tax bracket;
- (4) provide relief from the alternative minimum tax for middle-income taxpayers;
- (5) eliminate estate taxes on all but the very largest estates by reforming and substantially increasing the unified credit;
- (6) extend the Research and Experimentation Tax Credit and other expiring tax provisions;
- (7) accelerate refundability of the child tax credit to fifteen percent in 2004 and include combat pay in determining refundability in 2004 and all years thereafter;
- (8) preserve American manufacturing jobs consistent with the objectives delineated in H.R. 3827, the Job Protection Act of 2004;
- (9) close corporate tax avoidance devices and eliminate expatriation schemes for individuals and corporations such as, but not limited to, those provisions included in the President's budget;
- (10) reduce the tax cuts resulting from provisions contained in 2001 and 2003 tax legislation passed by Congress for taxpayers with annual adjusted gross income (AGI) over \$500,000; and
- (11) make new or extended tax cuts subject to PAYGO offset requirements.

(c) FLEXIBILITY FOR THE COMMITTEE ON WAYS AND MEANS.—If the reconciliation bill reported by the Committee on Ways and Means alters the Internal Revenue Code of 1986 in ways that are scored by the Joint Committee on Taxation as outlay changes, as through legislation affecting refundable tax credits, the bill shall be considered to meet the revenue requirements of the reconciliation directive if the net cost of the

revenue and outlay changes does not exceed the revenue amount indicated for that committee in subsection (a). Upon the reporting of such legislation, the chairman of the House Committee on the Budget shall adjust the budget aggregates in this resolution and allocations made under this resolution accordingly.

### SEC. 202. SUBMISSION PROVIDING FOR STRENGTHENED MEDICARE PRESCRIPTION DRUG BENEFIT.

(a) IN GENERAL.—Not later than October 1, 2004, the House committees named in subsection (b) shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS.—

(1) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in law within its jurisdiction to lower Medicare subsidies to private plans under Medicare Advantage and to use such savings to increase the value of the Medicare prescription drug benefit.

(2) COMMITTEE ON ENERGY AND COMMERCE.—The House Committee on Energy and Commerce shall report changes in law within its jurisdiction to lower Medicare subsidies to private plans under Medicare Advantage and to use such savings to increase the value of the Medicare prescription drug benefit.

(c) SPECIAL RULE.—In the House, notwithstanding subsections (a) and (b), no bill under this section may be considered unless the net effect of the legislation submitted by committees under such subparagraphs does not increase the aggregate deficit. The chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral in fiscal year 2005, for the period of fiscal years 2005 through 2009, and for the period of fiscal years 2005 through 2014.

### SEC. 203. ELIMINATING THE SOCIAL SECURITY OFFSET TO THE MILITARY SURVIVOR BENEFIT PLAN, SUBMISSION OF REPORT ON DEFENSE SAVINGS, AND OTHER DEFENSE-RELATED MATTERS.

(a) SUBMISSION.—In the House, not later than May 15, 2004, the Committee on Armed Services shall submit to the Committee on the Budget its findings that identify \$2,000,000,000 in annual discretionary savings from (1) activities that are determined to be of a low priority to the successful execution of current military operations; or (2) activities that are determined to be wasteful or unnecessary to national defense. These should be continuing savings, of a permanent nature, and sufficient to offset the recurring personnel costs in (b).

(b) POLICY ASSUMPTIONS.—Recognizing the importance of the families of uniformed military personnel who have served and are currently serving our Nation, the Committee on the Budget instructs the Armed Services Committee to use the funds provided in the reconciliation directive for the purposes of eliminating the Social Security offset to the Military Survivor Benefits Program and raising the existing cap on the Military Housing Privatization Initiative. The funds identified in the first paragraph are to ensure that these programs will not further increase the deficit and are the basis upon which the Committee on the Budget issues the reconciliation directive to the Armed Services Committee in section 204.

### SEC. 204. COMMITTEE ON ARMED SERVICES.

In the House, not later than July 15, 2004, the Armed Services Committee shall report changes in laws within its jurisdiction suffi-

cient to increase budget authority by not more than \$2,000,000,000 and outlays by not more than \$237,000,000 for fiscal year 2005 and by not more than \$10,452,000,000 for budget authority and \$7,107,000,000 for outlays for the period of fiscal years 2005 through 2009. The House Armed Services Committee is instructed to use this allocation to eliminate the Social Security offset to the Military Survivor Benefit Program and increase the cap on the Military Housing Privatization Initiative.

## TITLE III—RESERVE FUNDS AND CONTINGENCY PROCEDURE

### Subtitle A—Reserve Funds

#### SEC. 301. RESERVE FUND FOR THE FAMILY OPPORTUNITY ACT.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides Medicaid coverage for children with special needs (the Family Opportunity Act), the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed \$53,000,000 in new budget authority and \$52,000,000 in outlays for fiscal year 2005, and \$7,952,000,000 in new budget authority and \$7,626,000,000 in outlays for the period of fiscal years 2005 through 2014.

#### SEC. 302. RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

In the House, if the Committee on Energy and Commerce reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that reallocates and maintains expiring State Children's Health Insurance Program funds within such program rather than allowing such funds to revert to the Treasury, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed \$1,115,000,000 in new budget authority and \$100,000,000 in outlays for fiscal year 2005, and \$1,115,000,000 in new budget authority and \$1,115,000,000 in outlays for the period of fiscal years 2005 through 2014.

#### SEC. 303. RESERVE FUND FOR TRANSITIONAL MEDICAID ASSISTANCE.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that extends transitional Medicaid assistance, the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed \$23,000,000 in new budget authority and \$23,000,000 in outlays for fiscal year 2004, \$427,000,000 in new budget authority and \$427,000,000 in outlays for fiscal year 2005, and \$3,471,000,000 in new budget authority and \$3,471,000,000 in outlays for the period of fiscal years 2005 through 2014.

#### SEC. 304. DEFICIT-NEUTRAL RESERVE FUND FOR HEALTH INSURANCE FOR THE UNINSURED.

In the House, if legislation is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that provides affordable, comprehensive health insurance to the uninsured and builds upon and strengthens public and private coverage, and prevents the erosion of existing coverage under Medicaid, which could include temporary extension of state fiscal relief by increasing the Medicaid match rate, the chairman of the Committee on the Budget may

make the appropriate adjustments in allocations and aggregates to the extent such measure is deficit neutral (whether by changes in revenues or direct spending) in fiscal year 2005 and for the period of fiscal years 2005 through 2009.

#### Subtitle B—Contingency Procedure

#### SEC. 311. CONTINGENCY PROCEDURE FOR SURFACE TRANSPORTATION.

(a) IN GENERAL.—If the Committee on Transportation and Infrastructure of the House reports legislation, or if an amendment thereto is offered or a conference report thereon is submitted, that provides new budget authority for the budget accounts or portions thereof in the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985 in excess of the following amounts:

- (1) for fiscal year 2004: \$41,569,000,000,
- (2) for fiscal year 2005: \$42,657,000,000,
- (3) for fiscal year 2006: \$43,635,000,000,
- (4) for fiscal year 2007: \$45,709,000,000,
- (5) for fiscal year 2008: \$46,945,000,000, or
- (6) for fiscal year 2009: \$47,732,000,000,

the chairman of the Committee on the Budget may adjust the appropriate budget aggregates and increase the allocation of new budget authority to such committee for fiscal year 2004, for fiscal year 2005, and for the period of fiscal years 2005 through 2009 to the extent such excess is offset by a reduction in mandatory outlays from the Highway Trust Fund or an increase in receipts appropriated to such fund for the applicable fiscal year caused by such legislation or any previously enacted legislation.

(b) ADJUSTMENT FOR OUTLAYS.—For fiscal year 2004 or 2005, in the House, if a bill or joint resolution is reported, or if an amendment thereto is offered or a conference report thereon is submitted, that changes obligation limitations such that the total limitations are in excess of \$40,116,000,000 for fiscal year 2004 or \$41,204,000,000 for fiscal year 2005 for programs, projects, and activities within the highway and transit categories as defined in sections 250(c)(4)(B) and (C) of the Balanced Budget and Emergency Deficit Control Act of 1985, and if legislation has been enacted that satisfies the conditions set forth in subsection (a) for such fiscal year, the chairman of the Committee on the Budget may increase the allocation of outlays and appropriate aggregates for such fiscal year for the committee reporting such measure by the amount of outlays that corresponds to such excess obligation limitations, but not to exceed the amount of such excess that was offset pursuant to subsection (a).

#### TITLE IV—BUDGET ENFORCEMENT

#### SEC. 401. PAY-AS-YOU-GO POINT OF ORDER IN THE HOUSE.

(a) POINT OF ORDER.—It shall not be in order in the House to consider any direct spending or revenue legislation that would increase the budget deficit or reduce the budget surplus for any of the following periods:

- (1) The first year covered by the most recently adopted concurrent resolution on the budget.
- (2) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.
- (3) The period of the first 10 fiscal years covered in the most recently adopted concurrent resolution on the budget.

#### (b) DIRECT-SPENDING LEGISLATION.—

(1) DEFINITION.—For purposes of this section and except as provided in paragraph (2), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget

and Emergency Deficit Control Act of 1985.

(2) EXCLUSION.—For purposes of this section, the terms "direct-spending legislation" and "revenue legislation" do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House.

#### TITLE V—SENSE OF THE HOUSE

#### SEC. 501. SENSE OF THE HOUSE REGARDING POLICIES AFFECTING JOBLESS WORKERS AND JOB CREATION.

(a) FINDINGS.—The House finds that—

(1) despite the enactment in 2001 and 2003 of significant tax cuts directed toward the Nation's wealthiest individuals, the economy of the United States has lost nearly three million private-sector jobs since President Bush took office in January 2001;

(2) the 2001 and 2003 tax cuts contributed directly to an increase in current and projected future deficits that has reduced national saving and increased net indebtedness to other countries, and is likely to raise interest rates over time, which will make it more expensive for firms to invest, grow, and create jobs;

(3) during the past six months, after almost three years of consistent job losses, the economy has created only about 61,000 jobs per month on average, which is not half the rate of job creation required to keep pace with average growth in the working-age population;

(4) small businesses are the major source of job creation in the United States, accounting for at least two thirds of net new jobs created over the past decade, and the Small Business Administration 7(a) general business guaranteed loan program accounts for 40 to 50 percent of all long-term loans to United States small businesses, serving small start-ups and other borrowers who are unable to obtain conventional financing on affordable terms;

(5) the President's budget for 2005 cuts funding for Small Business Administration business loans and technical assistance programs, and imposes a sharp increase in 7(a) loan fees that will create cost barriers for borrowers seeking to start or expand small businesses and create jobs; and

(6) the President's budget cuts \$151 million from adult training and dislocated worker programs, programs that help laid-off workers adapt to a constantly evolving job market.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution supports funding for an extension through June 2004 of the Temporary Extended Unemployment Compensation program to take account of the continuing minimal rate of job growth in the United States economy; and

(2) this resolution supports continuation of the current discounted fee structure for Small Business Administration 7(a) general business guaranteed loans; provides \$100 million in subsidy budget authority for 2005 to support a 7(a) loan volume of at least \$10 billion at existing guaranty levels; and provides funding to maintain the Small Business Administration's Microloan 2004 loan volume of \$21 million; and

(3) this resolution rejects the President's proposal to cut \$151 million in adult training and dislocated worker programs in 2005.

#### SEC. 502. SENSE OF THE HOUSE REGARDING FUNDING FOR THE MANUFACTURING EXTENSION PARTNERSHIP.

(a) FINDINGS.—The House finds that—

(1) the Manufacturing Extension Partnership, which is jointly funded by Federal and State Governments and private entities, improves small manufacturers' competitiveness, creates jobs, increases economic activity, and generates a \$4-to-\$1 return on investment to the Treasury by aiding small businesses traditionally underserved by the business consulting market;

(2) in a January 2004 Department of Commerce report titled Manufacturing In America: A Comprehensive Strategy to Address the Challenges to U.S. Manufacturers, the Administration stated that "...the Manufacturing Extension Partnership (MEP) has provided many small U.S. manufacturers with useful business services to become more competitive and productive," a conclusion in which the Congress concurs;

(3) the Congress appropriated \$106 million for the Manufacturing Extension Partnership for 2003 but only \$39 million for 2004, and the President's 2005 budget maintains this drastically reduced funding level, undermining the ability of the Manufacturing Extension Partnership to fulfill its mission of helping small businesses to adopt advanced manufacturing technologies and practices that will help them compete in a global market; and

(4) Federal funding for the Manufacturing Extension Partnership should be restored to its pre-2004 level, adjusted for inflation.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution provides a total of \$110 million for the Manufacturing Extension Partnership for 2005, \$71 million more than the President's request, and supports adequate funding throughout the period covered by this resolution; and

(2) this funding restores the viability of the Manufacturing Extension Partnership and provides the necessary resources for the Manufacturing Extension Partnership to continue helping small manufacturers reach their optimal performance and create jobs.

#### SEC. 503. SENSE OF THE HOUSE ON EXTENSION OF THE PAY-AS-YOU-GO RULE OF 1997.

(a) FINDINGS.—The House finds that—

(1) the "Pay-As-You-Go" ("PAYGO") rule enacted as part of the Budget Enforcement Act of 1990 required that any increase in benefits funded by mandatory spending be fully offset by an equal increase in tax revenues or by a commensurate reduction in existing benefits. The PAYGO rule also required that any tax cut be deficit-neutral, offset by an increase elsewhere in the tax code or by a reduction in benefits funded by mandatory spending;

(2) the PAYGO rule played a critical role in turning chronic deficits into record surpluses during the 1990s;

(3) the surplus of \$5.6 trillion projected for 2002 through 2011 is now projected to be a deficit of \$2.9 trillion;

(4) the PAYGO rule proved effective in the past and is even more necessary now to rid the budget of colossal deficits;

(5) the Chairman of the Federal Reserve testified before the Budget Committee and supported renewal of the PAYGO in its original form, applicable to both mandatory spending increases and to tax cuts, and to new tax reduction as well as renewal of expiring tax reduction provisions.

(b) SENSE OF THE HOUSE.—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, making the rule apply both to tax decreases and to mandatory spending increases.

**SEC. 504. SENSE OF THE HOUSE ON DEFENSE PRIORITIES.**

It is the sense of the House that—

(1) continuing the TRICARE for Reservists is a high priority which should not have been omitted from the President's budget request;

(2) continuing targeted pay increases for enlisted personnel for three additional years is also a high priority which should not have been omitted from the President's budget request, because it is consistent with the original proposal of the Department of Defense and critical to the retention of experienced military personnel;

(3) eliminating the Social Security offset to the Military Survivor Benefit Program is also a high priority which should not have been omitted from the President's budget request, and accommodating the discretionary accrual payment that is concomitant to eliminating the offset is consistent with governmental accounting practices;

(4) funding cooperative threat reduction and nuclear nonproliferation programs at a level adequate to the task and the risks posed to our Nation is also a high priority, and the President's budget does not request sufficient funding;

(5) providing for homeland security is also a high priority, and the President's request is insufficient, reducing funds for high-risk activities like seaport security and underfunding first responders;

(6) funding the Missile Defense Agency at the level enacted for 2004 will provide robust support for ballistic missile defense;

(7) improving financial management at the Department of Defense should help identify billions of dollars of obligations and disbursements which the General Accounting Office has found that the Department of Defense cannot account for, and should result in substantial annual savings;

(8) improving the award, oversight, and administration of nearly \$20 billion in contracts for the reconstruction of Iraq with firms such as Halliburton, and recouping overpayments and penalties, by auditing and investigating such contracts, diligently applying the Truth-in-Negotiations Act, should result in substantial savings; and

(9) all savings that accrue from the actions recommended in paragraphs (6) through (9) should be used to fund higher priorities within the national security function of the budget, function 50, and especially those high priorities identified in paragraphs (1) through (5).

**SEC. 505. SENSE OF THE HOUSE ON ELIMINATING THE SHORTFALL IN THE PELL GRANT PROGRAM.**

(a) FINDINGS.—The House finds that the Pell Grant program has a shortfall of \$3.7 billion that threatens the long-term stability of the program.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) the mandatory levels in this resolution provide the \$3.7 billion needed to eliminate the current shortfall in the Pell Grant program;

(2) eliminating the shortfall in the Pell Grant program restores the program to a sound financial basis and allows Congress to consider an increase in the maximum award.

**SEC. 506. SENSE OF THE HOUSE ON HOMELAND SECURITY.**

(a) FINDINGS.—The House finds that additional resources beyond those requested in the President's Fiscal Year 2005 Budget are needed to further strengthen our homeland security.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) this resolution provides \$1 billion in additional homeland security funding above the President's requested level for 2005, and \$1 billion above the President's requested level in each subsequent fiscal year; and

(2) the homeland security funding provided in this resolution will help to strengthen the security of our Nation's transportation system and other critical infrastructure, including our seaports, secure our borders, increase the preparedness of our public health system, train and equip our first responders, and otherwise strengthen the Nation's homeland security.

**SEC. 507. SENSE OF THE HOUSE REGARDING PAY PARITY.**

It is the sense of the House that—

(1) compensation for civilian and military employees of the United States, without whom we cannot successfully serve and protect our citizens and taxpayers, must be sufficient to support our critical efforts to recruit, retain, and reward quality people effectively and responsibly; and

(2) to achieve this objective, the rate of increase in the compensation of civilian employees should be equal to that proposed for the military in the President's fiscal year 2005 budget.

**SEC. 508. SENSE OF THE HOUSE REGARDING THE CONSERVATION SPENDING CATEGORY.**

(a) FINDINGS.—The House finds that—

(1) the 2001 Interior Appropriations Act (Public Law 106-291), which established a separate discretionary spending category for land conservation and natural resource protection programs for the fiscal years 2001 through 2006, passed by large margins in both the House and the Senate; and

(2) in establishing a separate conservation spending category, Congress recognized the chronic underfunding of programs that protect and enhance public lands, wildlife habitats, urban parks, historic and cultural landmarks, and coastal ecosystems.

(b) SENSE OF THE HOUSE.—It is the sense of the House that any law establishing new caps on discretionary spending should include a separate conservation spending category and that any caps on conservation spending for fiscal years 2005 or 2006 should be set at the levels established in Public Law 106-291.

**SEC. 509. SENSE OF THE HOUSE REGARDING THE ARCTIC NATIONAL WILDLIFE REFUGE.**

(a) FINDINGS.—The House finds that—

(1) President Eisenhower first set aside the original Arctic National Wildlife Refuge in 1960 for the purpose of protecting its wilderness, wildlife, and recreational values; and

(2) while many refuges in America have been set aside to protect wildlife populations and habitats, the Arctic Refuge is the only refuge in which wilderness was recognized as a purpose for establishment; and

(3) in order to protect these unrivaled arctic landscapes and wildlife values, Congress significantly expanded the Arctic National Wildlife Refuge in 1980 with the passage of the Alaska National Interest Lands Conservation Act (Public Law 96-487), and protected the area against additional oil and gas exploration or development; and

(4) the biological, cultural, historic, and scientific attributes of the area are so rich and uniquely entwined, and the ecological integrity of the area is so vulnerable to irreparable damage if oil development is initiated, that the wilderness designation is fully warranted.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Arctic National Wildlife Refuge should continue to be protected from oil and gas leasing, exploration, and related activities.

**SEC. 510. SENSE OF THE HOUSE REGARDING THE HETCH HETCHY RESERVOIR IN YOSEMITE NATIONAL PARK.**

(a) FINDINGS.—The House finds that—

(1) the City of San Francisco was authorized by the United States Congress, in the

Raker Act of 1913, to construct a dam and reservoir on the Tuolumne River in Hetch Hetchy Valley in Yosemite National Park; and

(2) since its completion in 1923, the City of San Francisco has used water from the Hetch Hetchy Reservoir for its water supply and electrical power generation; and

(3) the City of San Francisco currently provides between \$2 million and \$3 million annually to Yosemite National Park for use of the Hetch Hetchy Reservoir; and

(4) any additional rental payments for the use of the Hetch Hetchy Reservoir would in all likelihood burden 2.4 million customers in the City and County of San Francisco and the Counties of Santa Clara, San Mateo, and Alameda who rely on its use by raising the cost of drinking water.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Federal Government has long followed a policy of exempting municipalities from annual licensing fees for power used for municipal purposes or sold without profit and that this long-standing policy should apply to the Hetch Hetchy Reservoir.

**SEC. 511. SENSE OF THE HOUSE REGARDING THE OUACHITA-BLACK NAVIGATION PROJECT.**

(a) FINDINGS.—The House finds that—

(1) the Ouachita-Black Navigation Project was authorized by the River and Harbor Act of 1950 and modified by the River and Harbor Act of 1960; and

(2) a 382-mile navigation channel on the Red, Black and Ouachita Rivers was created requiring annual dredging to ensure the rivers' channel depth is maintained at the nine feet needed for commercial use; and

(3) if adequate annual funding is not provided to the Corps of Engineers and others, the project will not be able to function, undercutting commerce and revitalization in the area served by the project, and resulting in the loss of hundreds of jobs that are dependent on barge traffic.

(b) SENSE OF THE HOUSE.—It is the sense of the House that full funding should be provided for the Ouachita-Black Navigation Project in 2005 and beyond, notwithstanding the ton-mileage of barge traffic using the project.

**SEC. 512. SENSE OF THE HOUSE REGARDING THE NATIONAL RAILROAD PASSENGER CORPORATION.**

(a) FINDINGS.—The House finds that—

(1) Amtrak, the National Railroad Passenger Corporation, operates over 22,000 miles, serves over 500 communities, and is responsible for transporting more than 1.4 million commuter passengers daily; and

(2) Amtrak ridership reached a record high in 2003, surpassing the 24 million mark for the first time; and

(3) Amtrak continues to implement business reforms that have improved fiscal controls, more efficiently used resources, and stabilized operations; and

(4) Amtrak has also embarked on a major capital improvement program, outlined in a Five-Year Strategic Plan, that is designed to return the system to a state of good repair so that passengers may continue to depend on safe and reliable service; and

(5) in fiscal year 2005, Amtrak must begin to address its current backlog of necessary capital improvements to avoid significant impairment in operations and reliability.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the Federal Government should provide additional resources sufficient to allow Amtrak to implement the improvements outlined in its Five-Year Strategic Plan and proceed with internal reforms.

**SEC. 513. SENSE OF THE HOUSE ON TAX SIMPLIFICATION AND TAX FAIRNESS.**

It is the sense of the House that—

(1) the current tax system has been made increasingly complex and unfair to the detriment of the vast majority of working Americans;

(2) constant change and manipulation of the tax code have adverse effects on taxpayers' understanding and trust in the Nation's tax laws;

(3) these increases in complexity and clarity have made compliance more challenging for the average taxpayer and small business owner, especially the self-employed; and

(4) this budget resolution contemplates a comprehensive review of recent changes in the tax code, leading to future action to reduce the tax burden and compliance burden for middle-income workers and their families in the context of tax reform that makes the Federal tax code simpler and fairer to all taxpayers.

**SEC. 514. SENSE OF THE HOUSE ON ACCELERATING INCREASED REFUNDABILITY OF THE CHILD TAX CREDIT FOR LOW-INCOME FAMILIES.**

(a) FINDINGS.—The House finds that—

(1) work is essential to promoting self-sufficient families which help children set goals in life and achieve them;

(2) workers of low and modest incomes have seen their ability to provide for their children eroded since 2001;

(3) members of the armed services serving in combat should have all the means necessary for providing for their children; and

(4) 12 million children of American workers (at least 200,000 in military families) will not benefit from the expanded child tax credit in 2004.

(b) SENSE OF THE HOUSE.—It is the sense of the House that the increase in the refundability of the child tax credit from ten to fifteen percent of income between \$10,500 and \$26,625 should be accelerated by one year and should take effect in 2004; furthermore, other provisions in the tax code notwithstanding, combat pay for members of the Armed Services should be counted as earned income for the purposes of calculating refundability of the child tax credit.

**SEC. 515. SENSE OF THE HOUSE REGARDING A TRIGGER MECHANISM FOR PRESCRIPTION DRUG PRICE NEGOTIATION.**

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

(1) The cost of the new Medicare law, estimated by the Congressional Budget Office before its passage to be \$395,000,000,000 over ten years, has now been estimated by the Department of Health and Human Services to be \$534,000,000,000 over ten years. Rising drug prices can increase the cost of the drug benefit and could end up shifting additional cost burdens to Medicare beneficiaries.

(2) Prescription drug spending increased 15.6 percent in 2002. These rising costs are one of the primary drivers of increasing health care spending, which grew 9.3 percent in 2002.

(3) The Veterans' Administration as well as every private insurer depends on bulk negotiation to keep drug prices down.

(4) According to a study by the Inspector General of the Department of Health and Human Services, Medicare payments for 24 leading drugs in 2000 were \$887,000,000 higher than actual wholesale prices available to physicians and suppliers and \$1,900,000,000 higher than prices available through the Federal supply schedule used by the Department of Veterans Affairs and other Federal purchasers.

(5) The private prescription drug plans provided for in the Medicare law do not exist in the marketplace. Therefore, it is impossible to predict whether these private plans will in fact be able to acquire substantial discounts through negotiation. In addition, private

plans cannot take advantage of the full purchasing power of 40,000,000 beneficiaries.

(b) SENSE OF THE HOUSE.—It is the sense of the House that—

(1) legislation should be adopted which would establish a trigger mechanism for negotiation of prescription drug prices by the Secretary of Health and Human Services; and

(2) this legislation would mandate that at any point when the expected ten-year expenditures for fiscal years 2004 through 2013 for Public Law 108-173 exceed the Congressional Budget Office estimate for this legislation, the Secretary of Health and Human Services would be required to immediately enter into direct negotiations with pharmaceutical manufacturers for competitive drug prices.

The CHAIRMAN. Pursuant to House Resolution 574, the gentleman from South Carolina (Mr. SPRATT) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, only 3 years ago, our country had created 22 million new jobs and had a projected surplus of \$5.6 trillion. But since that time, 3 million private sector jobs have vanished, and we have seen a \$9.3 trillion fiscal reversal.

Manufacturing employment, once the foundation of our economy, is now at a 53-year low, with many of those jobs having been sent overseas. Last month, nearly 400,000 Americans simply gave up hope looking for work altogether.

The Republicans tout their tax cuts as a job-creation plan. If ever there was a wake-up call that it is time to change course, this is it. In my State of Connecticut, more than 83,000 citizens are currently out of work because they were laid off by their employer, because their jobs have been outsourced, because their company has gone out of business, or because they were forced into early retirement. And thanks to the Republicans' refusal to extend unemployment benefits, nearly 1,000 Connecticut workers continue to lose their benefits every week. Despite predictions that 125,000 jobs would be created, last month only 21,000 jobs were actually added to the national economy, none in the private sector.

So we ask for our constituents and for the country, What course will the administration and the Republican majority take now? Have they learned from three rounds of unbalanced and unproductive tax cuts for the very wealthiest? Will they continue with policies that shift the tax burden from corporations to their employees? Will they continue with the economic policies and defending the corporate loopholes that encourage jobs to be outsourced and companies to be moved overseas? And will they continue with policies that explode the deficit?

From what I see in the underlying Republican bill, the basic answer is no change in direction.

The Spratt substitute not only extends unemployment insurance for mil-

lions of long-term unemployed, it calls for a manufacturing tax credit to create good jobs here at home. It invests in small business loans, job training, and the Manufacturing Extension Partnership program.

By turning aside the Republican budgets and supporting the Spratt substitute, Congress can embrace an idea that our society can act with a shared sense of purpose and responsibility to address the tasks before our country. That is what this budget process should be about, and that is what we should do.

The CHAIRMAN. Who seeks to control the time in opposition?

Mr. NUSSLE. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Iowa (Mr. NUSSLE) is recognized for 30 minutes.

Mr. NUSSLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the gentlewoman from Connecticut says there is no change in direction. Let me beg to differ. There is a lot of change in direction, a lot of change in direction in our economy.

Our economy has, as many of us know and many people listening know who are out of work, who have had a difficult time with their jobs, small businesses that have not been able to make ends meet, they know that there has been a change in direction.

We were heading in a downward path with our economy, but the last 6 months have been the strongest 6 months of growth within our economy in over 20 years. And why? Because we adopted the best fiscal policy we could at the time, and that was to say let us give the ability to create jobs to small business.

What the Spratt substitute does, what the Democrats are rushing to the floor to claim today, is that right at the moment when we finally have seen a positive change in direction for our economy, let us give it a gut-punch. Let us kill the jobs. Let us kill small business with a tax increase, exactly at the wrong time.

When you propose the tax increases of this budget, what you do is you kill the jobs, because 90 percent of small businesses pay at that rate that they want to increase. They want this automatic tax increase to occur. More than 80 percent of the increase in taxes on this top rate will be borne by small businesses; and in Manchester, Iowa, in South Carolina, in California and across the country, those are the businesses that are creating jobs. We do not want, we do not need, and we will not support a tax increase right at the moment when the country is getting back on its feet.

Why do they propose a tax increase? Because they want more spending. So many of the Members over the last 2 days have come to the floor wringing their hands about the deficit. Oh, the deficit is so terrible; let's increase spending. Oh, the deficit is going to be passed on to our kids; but let us have more wasteful Washington spending.

Oh, the deficit is terrible because it is going to promote all sorts of terrible things happening within our economy, but let us continue the spending.

Spending and tax increases, spending and tax increases, on and on it goes. You would think over time they would come to the floor with a much more original budget than continuing tax increases and continuing big spending.

It is about time that we finally realize in this country that when you are in a hole, you not only stop digging by controlling spending, but you stop digging in the pockets of the American family, the American farmer, the American small businessperson, who does the spending, who does the working, who does the toiling, that needs to be occurring in order to make this country great and continue the freedom and opportunity for our kids into the future.

We have got to control spending. We do not want an automatic tax increase. Let us not support this substitute.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), the Democratic whip.

Mr. HOYER. Mr. Chairman, perhaps the chairman believes what he says. If so, he is extraordinarily wrong. But those of us who have been here for some period of time have heard this rhetoric before, over and over again.

In 1993, when we offered an economic program, every leader, the chairman of the Committee on the Budget, the ranking member of the Committee on the Budget, Speaker Gingrich, Leader Armey, an economist, came to this floor and said if you adopt the Democratic alternative, the economy is going to go to hell in a handbasket.

They were 180 percent absolutely wrong. In point of fact, we had the best economy, the best economic performance in the next 8 years that we have had in the history of America. They do not know what they are talking about. Maybe they believe it, but they are wrong.

Let us compare the 8 years under George Bush, George Bush the senior, and George Bush "W." They ran deficits of \$2.5 trillion. There is one person in America that can stop spending in its tracks, just one, the President of the United States.

Neither George Bush nor his son have ever had a veto overridden stopping spending. Not once.

Let us get real. Under the 8 years of the Clinton budget, which the Republicans said would take us down the road of deficits and unemployment, we had a \$61 billion surplus and ran the last 4 years in surplus, the first time that had happened in the lifetime of anybody in this room.

Get real. Stop giving us this stuff. And the reason to stop giving the stuff is what you are doing is back to the same old \$2.5 trillion in debt, except this time you take it from a \$5.6 trillion surplus. Who said we had that surplus? George W. Bush said we had that

surplus. What is it now? A \$4 trillion deficit, an almost \$10 trillion turnaround.

I say to the gentleman from Iowa (Mr. NUSSLE), that is your performance. That is the result of your budgets. That is the result of your economic program, a \$10 trillion turnaround to the worst. And who pays the bill? That is the sad part. The children and grandchildren of America, that is who will pay the bill.

What this budget that the gentleman from South Carolina (Mr. SPRATT) is offering does, unlike that of the gentleman from Iowa (Mr. NUSSLE), it brings the budget to balance within 8 years.

Does it ask some people to pay the bill that those young men and women in Iraq are paying? It does. Is that right to do? It is.

It is exactly what you said in 1993, and you were dead, flat wrong. Vote for the Spratt alternative. Put America on a safe track so that our children will not be put deeply, deeply, deeply in debt. Vote for Spratt. It is right for America.

Mr. NUSSLE. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCHROCK), a member of the committee.

Mr. SCHROCK. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, today I rise in open opposition to this Democratic substitute, and I promise you I will not scream as I get my message across.

Not only does this budget raise taxes for small businesses and working families, but it also increases overall spending and cuts important funding for homeland security. Raising taxes and increasing the deficit is no way to ensure economic recovery. This substitute budget will raise taxes on small businesses and kill job growth.

This substitute increases taxes overall, and does away with tax relief for middle-income working families. As a result, this substitute can lead to tax increases on families claiming the child tax credit, increases in the marriage tax penalty and also increased taxes for those in the 10 percent, I repeat, 10 percent tax bracket.

I oppose any budget today that will raise the taxes on our working families and small businesses, period. In Hampton Roads, where I live, we are leading Virginia in job growth because of tax relief and because of other policies that help our working families and small businesses. These tax increases are job killers, and that is all it is.

As if increasing taxes is not bad enough, this Democratic budget also raises spending. We heard the gentleman from Iowa (Chairman NUSSLE) say it best: How can you speak out against the Federal deficit one minute, and then vote for irresponsible spending increases the next? This is just plain wrong.

□ 1545

This substitute increases spending by \$21.6 billion next year in 2005 and by

\$135 billion over the next 5 years. In this time of fighting a war on terrorism and stimulating economic recovery, the Democrats not only want to raise taxes on all Americans and increase wasteful spending, but they also want to cut money for national security. This hurts homeland security by cutting money to law enforcement by \$2.9 billion over the next 5 years.

Mr. Chairman, we cannot afford this budget. America cannot afford to return to the days of high taxes, irresponsible government spending, and poor funding of national security. We are finally recovering from the consequences of their economic plan, and I strongly urge my colleagues to vote against this irresponsible, politically motivated substitute.

Mr. SPRATT. Mr. Chairman, I yield myself 1½ minutes to respond to the gentleman.

The gentleman may not be aware of it, but this budget resolution which I am now offering as an alternative provides \$6 billion more for homeland security than the Republican resolution, the committee resolution; it provides \$5 billion more for law enforcement programs under the Justice Department; it provides the very same amount for national defense. So his criticisms are highly off the mark.

Let me also take a minute to respond to my good friend, the gentleman from Iowa (Chairman NUSSLE) with respect to tax cuts.

This resolution in section 201 says very clearly, it is the policy of this budget resolution to balance deficit reduction to middle-income tax relief. In that respect, we call for the Committee on Ways and Means to reconcile and extend the child tax credit, which will expire otherwise; the marriage penalty relief; the 10 percent bracket; to provide relief from the alternative minimum tax; to eliminate estate taxes on all but the very largest estates; to extend the research and experimentation tax credit; to accelerate the refundability of the child tax credit from 15 percent; and to include combat pay in determining refundability; and on down the list with five more illustrations of where we are calling for middle-income tax relief.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Missouri (Mr. SKELTON), the ranking Democrat on the House Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I support strongly the Spratt resolution. Quite honestly, it is better on national defense than the resolution offered by the majority. Here are five reasons why.

First, the Spratt alternative matches the President's overall request for defense, dollar for dollar. As a matter of fact, the majority resolution falls \$189 million short. When our troops are on the front lines in Iraq and Afghanistan, Haiti and everywhere else in the world, I do not think we should cut a dime.

Second, the Spratt alternative saves the privatized housing initiative by

raising the cap on the program by \$1.1 billion over 5 years. This is very important for our families. The majority resolution, as written, assumes no raise in the cap, so almost 50,000 military families that are supposed to get new privatized housing in the year 2005 and in the year 2006 will have to wait for adequate housing.

Although there was a discussion on the House Floor in which the gentleman from Iowa (Mr. NUSSLE) promised to work with us to try to resolve the scoring issue, it is not there, and it does not count unless it is in the resolution. It is in the Spratt alternative.

Third, the Spratt alternative continues TRICARE for reservists, helping to ensure that all reservists have health care insurance. At a time when we are leaning more and more on our National Guard and Reserves, we must fund this program. The majority resolution lets the program lapse, leaving the families of our National Guardsmen and reservists without health care insurance.

Fourth, the Spratt resolution continues targeted pay raises for 3 more years. The majority resolution, like the President's budget, has zeroed out the initiative in the 2005 budget. These targeted pay raises for intelligence, for special operations, for computer experts, for those who have those specialized and critical skills that are needed to stay in, those targeted pay raises are out. They are in the Spratt alternative.

Finally, the Spratt alternative also keeps faith with those who have served our Nation in the past. It eliminates the Social Security offset to the Survivors Benefit program consistent with the bill H.R. 3763, a bill that enjoys broad bipartisan support. This offset hurts the widows of those who have served our Nation, and we owe it to those who served us to correct this inequity.

I support strongly the Spratt alternative as a better resolution.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. HUNTER), the very distinguished chairman of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman, and I appreciate the statement that was just made by my good colleague, the distinguished gentleman from Missouri (Mr. SKELTON). Let me explain why I do not agree that the Spratt budget is the best budget.

It is true that we can take more money out of what I would call the operational military, and that is the side of the military from which ammunition, readiness, present operations in Iraq and Afghanistan are funded; and we can move it over to the non-operational military and give more benefits on that side. The problem with that is that that amounts to a reduction in the operational military.

We have a top line, and that top line is not expanded by the Spratt budget, and that means that the people who

are retired, who have great affection for this country and have every right to be treated well by this Nation, also have another interest, and that interest is to see that the people who are in the arena today, in the battlefield today, get every single thing that they can possibly have focused on that battlefield and have those resources focused on that battlefield.

If we take dollars from the operational military from which the theaters are being fought today and move it over to programs that are well-meaning, good programs, but nonetheless programs that are not in the operational military, that means that we have less money to work with while we are in a shooting war.

Mr. Chairman, I wanted to make one second point, though, and that is that we had a good colloquy yesterday, and I thank the gentleman for his concern about housing and about the privatization measures that have been fathered by the gentleman from Colorado (Mr. HEFLEY) and the fact that this cap and the present treatment of those dollars could possibly hinder that construction, continued construction of privatized housing.

I would just say we had a good colloquy with the chairman of the Committee on the Budget and we are taking care of that one. So I want to thank the gentleman for his interest and for his work on this. We are going to take care of that problem.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, my understanding is, and I am sure I am correct, that there will be forthcoming a supplemental request. I am told it will be in the neighborhood of some \$50 billion for the ongoing operations. So it would seem to me that we would be able, and much better under the Spratt proposal, to take this money and to make those corrections that we have in his resolution; and the operating will continue because of the upcoming supplemental which we will be voting on sometime this year.

Mr. HUNTER. Mr. Chairman, reclaiming the time to respond to my friend, I would hope also that we would have a good, robust supplemental later in the year, but I would just say to my friend that the moneys that are going to be available at the start of the next fiscal year in the early fall are going to be there. We might not have this supplemental back until February or January or March, and I think a dollar in the hand is more important than a dollar at a later time.

Mr. SPRATT. Mr. Chairman, I yield myself 1 minute to respond to my good friend, the chairman of the committee on which I also serve with the gentleman from California (Mr. HUNTER).

I think he would readily agree, having served in the Army, that morale is an important operational necessity. What we are trying to provide for in

our resolution is, we have \$422.7 billion next year for national defense, plus a huge supplemental. We are simply saying, can we not give some primacy to personnel benefits and move around just a bit of that money to address a long-standing bone of contention, namely, the fact that widows of deceased service members have drastic reductions in their pensions when they reach the age of 62.

The gentleman knows that amongst reservists there is a big issue about TRICARE. We should be doing something to extend TRICARE to reservists in certain situations. Certainly, I think the gentleman supports the selected pay increases for the senior NCOs and junior officers, critical to keeping that core component of the services intact.

That is what we are trying to provide for, Mr. Chairman. That is all. We are trying to say, out of \$422 billion, that kind of money, surely we can give some primacy to these priorities.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. HUNTER) so that he may respond.

Mr. HUNTER. Mr. Chairman, I thank the gentleman and I appreciate the gentleman's point.

Toward that point, we have over the last several years, as the gentleman knows, extended on a bipartisan basis TRICARE for Life, the concurrent receipt program that was put into effect the year before last and then expanded last year.

I would simply say this to my friend: We are, according to CBO, this year, in terms of new equipment for our soldiers, \$30 billion underfunded. That means helicopters that are 18.6 years old, that means airplanes that are two-thirds of the Navy's airplanes being over 15 years old. That means that, in my estimation, one of the best ways to build morale for troops in the field is to give them good equipment, so if we have money to spare, I would say—and we are also low on ammunition, as the gentleman knows. We have not met all of our ammunition totals that the Nation is directed to meet by the levels that we have set, with all of our smartest people working on this issue.

So if we are \$30 billion behind in terms of giving our young people new equipment, about \$10 billion behind on ammunition, that is where we should put the money first, and I think our retired people would agree with that.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds just to say to the gentleman, the House Republican resolution calls upon the House Committee on Armed Services, by May 15, to come up with \$2 billion a year in permanent savings out of operations that are now deemed to be wasteful or inefficient, and then to allocate those savings to some additional priorities.

We are saying the same thing. We simply picked up on that idea and said, fine, here are three good personnel priorities to which this \$2 billion in savings could be committed every year.

Mr. NUSSLE. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. I thank my chairman and I thank my good friend, the gentleman from South Carolina (Mr. SPRATT) for this conversation.

The gentleman is exactly right. We said, let us take money from lesser priorities because we are in a shooting war. And the Republican majority said this: We must redirect that money into the battlefield for force protection for our troops, for ammunition for our troops, and for surveillance capabilities so that we can see these IEDs and we can see the bad guys when they get close to our troops.

So, no, we did not say, let us take that and put that off the operational military and put that into a retirement plan, as good as that might be; we said, we know our retired folks are worried about the troops. We focus that money on theater.

I would just say to my friend, that is where we have to focus the extra dollars, on the theater in the shooting war, and let us win it.

Mr. SPRATT. Mr. Chairman, I yield myself 15 seconds. Selected pay increases and TRICARE for reservists are for fighters, warfighters, not for non-operational purposes or retirement purposes.

Mr. Chairman, I yield 2 minutes to the gentleman from Chicago, Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, in the 2000 election, President Bush declared that he was against nation-building. When we look at the Republican budget, who knew it was America he was talking about. They have three wars financed with three tax cuts, resulting in a \$550 billion deficit.

This budget by the Republicans continues the same policies that have led to 2.5 million Americans losing their jobs, 43 million Americans who work without health insurance, 2 million Americans who used to be in the middle class who now are in poverty, and only a 1.6 percent growth in wages, leading to wage recession in this country.

Now, what we need, and what we have seen today with this budget and the budget in Iraq is the "tale of two budgets." In their budget, Pell grants are frozen for college education. There is a cut, and we do not fully fund the Leave No Child Behind; yet, in Iraq, 2,300 new schools have been opened. In health care, \$90 million has been cut for the underinsured, yet we have opened up 150 hospitals in Iraq, spending \$800 million in Iraq.

□ 1600

In the United States, \$659 million cut from the police. Yet we are rebuilding the police in Iraq to the tune of \$500 million. Veterans, we just heard a debate about the priorities in veterans, yet did you know in Iraq we are spending \$150 million to help train the Iraqi veterans from their past wars?

That is the tale of two budgets. One priority for Iraq, another priority for the United States.

The Spratt budget lays the right priorities for the United States to begin the job growth, to begin the burden-sharing by all Americans so the future for America's children are as bright and as strong as the one their budget envisions for Iraq.

It is time to not continue the policies as a result of the economic failures here at home that have resulted in a \$550 billion deficit, \$3 trillion dollars of national debt, 2.5 million Americans unemployed, 43 million Americans without health insurance, 2 million more Americans in poverty, and a wage recession that has led to the lowest economic growth in wages in a period of economic growth.

It is high time we turn around and put this country in the future by dedicating resources to college education, to health care and the environment and reducing the deficit and cutting taxes for the middle class.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to myself.

Mr. Chairman, the interesting thing about my friends on the other side is that they know the words of deficit reduction and they know the words of fiscal responsibility, but they have not yet learned the music.

They know the words to the song, but they do not know the music because on the one hand they say that we are gouging, we are cutting, we are eliminating, we are making it more difficult on the spending side of the ledger. On the other hand, they say how our economy needs a shot in the arm; how it needs to be growing again; how we need to be creating jobs. And yet in their budget, they do nothing on the spending side because they increase spending or on the growth side because they kill job creation by raising taxes on small business.

So, yes, they know the words to the song. The words to the song are almost always easy to learn, but the music is a little more difficult to learn. So we would invite you to go back and learn the notes to the song before you come back next time. You have got to control spending in Washington. You have got to get the economy growing. That was the recipe of 1997.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, having worked on the 1993 budget that cut taxes for working families and reduced the deficit by \$500 billion and having worked on the 1997 budget that balanced the budget and cut taxes for middle-class families so you could both reduce the deficit and cut taxes, I not only know the music, I know how to dance to that music.

Mr. NUSSLE. Mr. Chairman, I yield 1 minute to myself.

What an interesting concept. Let me review the concept the gentleman promoted from 1997.

Mr. EMANUEL. 1993 and 1997.

The CHAIRMAN. The gentleman from Iowa (Mr. NUSSLE) controls the time.

Mr. NUSSLE. You mean to tell me that the words to this song are cut taxes and control spending and the deficit goes down. My goodness, what a novel concept. We should write a budget that says that.

In fact, we have. We have written a budget which is the base bill today that reduces taxes, keeps them level; reduces spending, keeps it level; funds the priorities of national security; grows our economy; controls spending; and gives us deficit reduction. Exactly the words to the song, exactly the right music and the reason why you should support the Republican budget.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, I would like to thank my colleague from South Carolina (Mr. SPRATT).

Both the 1993 and the 1997 budget, of all people, I do not think we need to go through this; but if we have to, we will. The 1993 budget reduced the deficit and cut taxes. And it cut taxes on working families who needed it most and put our priorities and our fiscal house in order.

The 1997 balanced budget built on the shoulders of the 1993 budget, balanced the budget and cut taxes. It was the first time the \$500 per-child tax cut was introduced. It was targeted tax cuts to working families.

This budget that you have guarantees and locks in deficits as far as the eye can see, and every budget that has been introduced by the Republicans and President Bush has guaranteed us the largest deficit and national debt ever in the history of this country. And that is the difference. Not every tax cut is good and not every tax cut is bad, but the tax cuts you have chosen have laden the economy with the largest debt and the largest deficit in the history of the economy. That is what Ronald Reagan used to say, "Facts are stubborn things."

Mr. NUSSLE. Mr. Chairman, I yield 30 seconds to myself.

If facts are stubborn things, then why is it that you would increase taxes on those families you have just lamented \$1.2 trillion over the course of the Democratic substitute, \$1.2 trillion of tax increases. Why would we go through there? I thought, wait a minute, I thought the gentleman knew the song. He was talking the right words. He was saying the right words, but I thought he learned the music too. The music to this is reduce taxes, keep them low, keep spending under control, look for waste. That is what the budget that we have presented does, not increase taxes as the Democrat substitute does.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, not only did we cut the taxes in 1993 and 1997 in our budget this time, it resulted

in 22 million jobs, a reduction in poverty, a reduction in those who were without health insurance. And today under your economic stewardship, 2.5 million Americans have lost their jobs, 43 million Americans are without health care, 2 more million Americans are in fact in poverty that used to be in the middle class, and a trillion dollars worth of corporate assets have been foreclosed on.

These are the economic results of your economic plan. It does not set priorities. It assumes all tax cuts are equal. And if you think a tax cut allowing a corporate jet to fly around when children of working families do not get a tax cut, those are the wrong priorities that resulted in the economic losses that you have on your record. The 90s were the best economic period of time; \$550 billion of deficit cannot be erased in a 1-minute speech.

Mr. NUSSLE. Mr. Chairman, I yield 15 seconds to myself.

Mr. Chairman, there is not an economist in the country, not one economist who does not say that the economic recession that we had to face began under President Clinton. President George Bush inherited the recession from President Clinton. We worked to reduce it and get it back on a growth path, which we have done.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to myself.

Mr. Chairman, I think the gentleman was off the floor when I read page 87, title II, section 201, outlining the tax cuts that we are calling for and stating the purpose of the resolution, which is to preserve and serve middle-income tax relief.

I would defy the gentleman to take this and in the four corners of this report show me where the \$1.2 trillion additional tax increases are coming from. How is that number derived?

Mr. NUSSLE. Mr. Chairman, I yield 1½ minutes to myself.

The way that is computed, I would say to my friend, the way of course that is computed is we believe that by allowing a tax increase to occur automatically, that that is a tax increase. So we start with that and then above that is over the CBO baseline. So that is where we come up with \$1.2 trillion over the 10 years of your budget.

Mr. Chairman, I would say to my friend, the gentleman from South Carolina (Mr. SPRATT), look, part of the reason why we are having this discussion is that there are so many people coming to the floor complaining about tax cuts for the rich. We know what you are up to.

I understand that rhetorically, not the gentleman necessarily, but we believe within the party what you are up to, that is, you want to, what you say, is reduce this tax for the highest income tax bracket. I understand that is not what your budget says, but I am saying that is what the votes say on the floor time and time again as they come to the well, and that is, that when that is targeted at that bracket,

what you are targeting, we believe, are small businesses which are creating those jobs.

I understand that nobody wants to kill those jobs, but when people in small business are paying at that tax bracket, we believe that kills jobs. And that is why we do not allow those tax increases to expire. We believe that would be a tax increase.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to myself.

The only bracket we refer to is the bracket that would include those making over, earning, having incomes over \$500,000 a year, which is our definition of a wealthy person. So we are saying do not take all the benefits away from those taxpayers that have been provided by the 2001 and 2003 tax cuts, but consider cutting them in half, for example, in order to raise the revenues, to offset the costs of extending middle-income tax provisions like the 10 percent bracket, the child tax credit and the marital penalty provisions.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, what a difference a week makes. A week ago and one day from today this House passed unanimously a resolution saying that we should express our gratitude for the "valiant service of our troops in Iraq." And yet today the House Republican leadership in order to continue its failed status quo policies that led to the highest deficit in American history, the worst job growth since the Hoover administration, has once again gone so far as to honor our troops, our future veterans with their words but cut the budget for veterans health care with their deeds.

That is not the viewpoint of a Democrat or a Republican. That is the viewpoint of the American Legion. Steve Robertson, director of the American Legion, said in a letter, in the last 2 days, the American Legion has activated its grassroots lobbying efforts to defeat H. Con. Res. 393, the budget resolution for FY 05 through fiscal year 09.

Well, let us look at what the Disabled American Veterans said. Their national commander, Alan Bowers, said, "To the veterans of this Nation, it is incomprehensible that our government cannot afford to fund their medical care and benefit programs at a time it can afford generous tax cuts costing hundreds of billions more."

AMVETS, Paralyzed Veterans of America, all of them are saying what the American people believe. It is wrong and it is unfair to cut veterans health care services by \$1.3 billion, as this budget does, to pay for a failed economic policy.

We must support our troops in Iraq today who are tomorrow's veterans with our deeds, not just our words.

Once again, as we saw last March, the Republicans have come to the floor of the House and during the same month they vote to salute our troops

with resolutions, they vote to cut our troops' future health care benefits with their budget votes.

The reality is while they may argue they are increasing veterans health care, the Republican chairman of the Committee on Veterans' Affairs says this budget resolution will cut veterans health care by \$1.3 billion this year.

Whether one is a Republican or a Democrat, liberal, moderate or conservative, north, south, east or west, it does not reflect the values of the American people to be asking for more sacrifice from those troops in Iraq today who are already risking their limbs and lives.

And I know about that because I was in Baghdad. I was in Iraq. I have seen American soldiers who had been wounded in Iraq. I saw them in German hospitals. They have given enough for our country. Republicans in this House have no right to ask them to give more by having their veterans health care services cut by over a billion dollars and by \$21 billion over 5 years. That is wrong.

The CHAIRMAN. The Chair would advise the managers the gentleman from South Carolina (Mr. SPRATT) has 11½ minutes remaining. The gentleman from Iowa (Mr. NUSSLE) has 16 minutes remaining.

Mr. NUSSLE. Mr. Chairman, I yield 3 minutes to myself.

Mr. Chairman, let me start by letting the committee know and the House know that we have a letter from Secretary Principi on the subject that the gentleman from Texas (Mr. EDWARDS) just spoke about.

Let me just read from the letter and I will be glad to make this available as it was just made available to me:

"I write to strongly endorse the House passage of H. Con. Res. 393," this budget. "The President's budgets have provided historic funding levels for America's veterans today. The Veterans Administration provides nearly a million more veterans with better, faster health care than when the President took office."

□ 1615

So just in the last 3 years, 1 million more veterans have been invited into the VA than under former President Clinton.

"The President pledged to reduce the average processing time to 100 days and reduce the inventory of pending claims to 250,000. The Department is on track to meet those goals.

"When the President entered office, VA was providing care to slightly under 4 million veterans. Now, at a time when the overall population of veterans is declining," and that is unfortunate, "nearly 5 million patients are being treated. The President's budget reflects his strong commitment on preserving the core mission of the Department of Veterans Affairs."

He salutes the Congress, he says, and he strongly urges Members to vote for this budget resolution.

A couple of other things I just wanted to mention with regard to veterans spending. The House level for veterans spending is the highest amount between the two bodies that we will have an opportunity to support. The House version is higher than the Senate version because the Senate, when it passed an amendment on the floor, included unspecified receipts, which is an interesting budget code word for copayments, fee increases, means testing. Those are ways that we get those unspecified receipts to be specified.

The result is that, together with Secretary Principi, the House budget we present today is \$1.2 billion above the President's request to meet the request that Secretary Principi provided to the Committee on Veterans' Affairs and the Committee on the Budget. If my colleagues want to support a higher veterans spending amount, they need to support the amount that is provided in this bill.

Veterans organizations are getting snookered out there by being told that the Senate number is somehow higher than the House number. That could not be further from the truth. When you hide fees, when you hide means testing, when you hide copayments into an amendment and then pass it, that is not necessarily a higher amount because in our bill, in our budget, we do not accept any fee increases, any copayments, or any means testing to this program. It is a higher amount than the other body, and it needs our support.

Mr. EDWARDS. Mr. Chairman, I ask unanimous consent, at the request of the gentleman from South Carolina (Mr. SPRATT), to manage time until he returns to the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EDWARDS. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I do not think the AMVETS, the Disabled American Veterans, Paralyzed Veterans of America, the Veterans of Foreign Wars, the American Legion, distinguished respected veterans groups who fought in all parts of this world, its millions of members are snookered by this legislation. I think they understand exactly what this legislation is doing. It is not keeping up with health care inflation, and it will require a cut of \$1.3 billion in veterans health care services.

If the Republicans in the Congress think veterans get health care that is too good and the lines are too short at our VA hospital, so be it. I think it is the American people that would be snookered by the passage of a resolution such as this, not our veterans.

Mr. Chairman, I yield 1½ minutes to the gentleman from Houston, Texas (Mr. GREEN).

(Mr. GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Chairman, I thank my Texas colleague for yield-

ing me the time, and I have a prepared statement I would like to place into the RECORD.

It is interesting, all of our constituents think we talk about funny money here in Washington when it is really their money, but I look at our budget and see there are funny budgets; and I need to remind my colleagues of the prescription drug budget \$400 billion last year, that could be as much as \$150 billion above that, and the seniors around the country are rejecting it simply because it is not a quality program. So I worry about what we are seeing.

Mr. Chairman, I rise in support of the Democratic alternative and in opposition to the Republican budget resolution. The Republican majority breaks a number of long-standing promises to my Texas community, seniors, students and veterans.

The budget breaks our promise to Texas seniors by spending the entire \$1 trillion Social Security surplus. This continual use of Social Security to fund the administration's deficits and tax cuts is not sustainable, and even prompted Alan Greenspan to suggest we cut entitlement programs or raise the age of Social Security.

The budget breaks our promise to Texas students by providing \$8.8 billion below the authorized level for No Child Left Behind.

Despite the rising costs of college tuition, this budget fails to provide any increase in the maximum Pell grants which 313,832 students in Texas universities use to help finance their education.

The budget breaks our promise to Texas children by allowing \$1 billion in funds for the State Children's Health Initiative Program, SCHIP, to expire. Already, hundreds of thousands of Texas children are dropped from the SCHIP program, and we are going to see it even more.

The budget breaks our promise to veterans, as just discussed, by \$1.3 billion, short of what we need for veterans health care. The Vietnam Veterans of America called the Bush budget an insult to veterans.

Mr. Chairman, I rise today in support of the Democratic alternative and in opposition to the Republican budget resolution.

The Republican majority breaks long-standing promises to Texas communities, seniors, students and veterans.

The budget breaks our promise to Texas seniors by spending the entire \$1 trillion Social Security surplus from 2005 to 2009.

This continual use of the Social Security to fund the Administration's deficits and tax cuts is not sustainable and has prompted Alan Greenspan to suggest that we cut entitlement programs or raise the Social Security age.

The budget breaks our promise to Texas students by providing \$8.8 billion below the authorized level for No Child Left Behind programs.

Despite the rising costs of college tuition, this budget fails to provide any increase in the maximum Pell grant awards, which 313,832 students in Texas universities use to help finance their education.

The budget breaks our promise to Texas children by allowing \$1 billion in funds for the State Children's Health Insurance Program (SCHIP) to expire.

Already, hundreds of thousands of Texas children have been dropped from the State's CHIP program, and this budget will only cause more Texas children to lose health insurance during a time when health care costs are rising rapidly.

The budget breaks our promise to Texas veterans by providing \$1.3 billion less than what is needed for veterans' health care programs.

The Vietnam Veterans of America have called the Bush budget "an insult to veterans."

The budget breaks our promise to Texas communities by cutting homeland security funding at a time of increased security needs.

Houston is the only city in the U.S. to meet all fifteen Federal threat criteria, yet this budget provides no resources to address a shortage in first responder or port security funding.

I urge my colleagues to reject the Republican budget and support the Democratic alternative, which funds this country's priorities in a fiscally-responsible manner.

Mr. NUSSLE. Mr. Chairman, I yield myself as much time as I may consume.

Let me just give my colleagues this again on veterans health care. Overall spending for veterans medical care has grown significantly in recent years. The Congressional Research Service estimates that it has increased from \$17.8 billion in 1999 to \$28.3 billion in 2004. That is 9 percent a year of increases, and we will continue that as we move forward into the future.

Since 1999, spending on veterans medical care has increased from \$16 billion to \$28 billion a year, a 75 percent increase; and over the past 2 years, appropriation for veterans medical care increased rapidly, by 11 percent in last year alone.

To come to the floor and suggest today that we are not meeting our promises to veterans is based on the veterans service organizations and what they call their independent budget. Look, I will tell my colleagues the same thing I tell them and tell my veterans at home. They, of course, have earned the right to request any amount they believe they deserve. That is not the issue. Of course they have the right to make that request.

Our job, though, is to make sure that we fund and we make sure we are meeting the demands of veterans, and veterans under President Bush have gotten not only a promise fulfilled, but we are helping to ensure that the lines are shorter; that the care is better; and that it is delivered to as many veterans as possible under this bill. We continue that promise, and we do it at a faster rate than the other body.

The veterans service organizations have been alerting Members because they thought mistakenly that the Senate had a higher number than the House. That is the reason that they were agitating over this; but when they have read it, when we have read it and when others independently have read

it, they discovered that there are these unanticipated fees, unanticipated receipts, possibly means testing, possibly all sorts of things that are hidden in there in order to make that number look just a little bit bigger.

Well, we are not going to do that to our veterans. We have already rejected that proposal; and as a result, the highest number that my colleagues can support is for the House base bill presented by the Republicans.

Mr. Chairman, I reserve the balance of my time.

MODIFICATION TO AMENDMENT IN THE NATURE  
OF A SUBSTITUTE NO. 4

Mr. SPRATT. Mr. Chairman, I ask unanimous consent that the manager's amendment be modified with the modification I have placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 4 in the nature of a substitute offered by Mr. SPRATT: Delete section 509, Sense of the House regarding the Arctic National Wildlife Refuge.

The CHAIRMAN. Is there objection to the modification offered by the gentleman from South Carolina?

Mr. NUSSLE. Mr. Chairman, reserving the right to object, and I will not object, but just for clarification I would yield to my friend from South Carolina (Mr. SPRATT) under my reservation and just ask the question, Is there any bottom line impact on a monetary basis to the budget?

Mr. SPRATT. Mr. Chairman, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from South Carolina.

Mr. SPRATT. There is not at all.

Mr. NUSSLE. That is my understanding; and, therefore, I have no objection and believe that can be supported.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Chairman, I rise today to express my strong opposition to the Republican budget resolution for fiscal year 2005 and my support for the Democratic substitute.

I would like to thank the gentleman from South Carolina (Mr. SPRATT) for his leadership on developing a realistic budget plan for our Nation. Given the state of our economy and the skyrocketing deficit, now is not the time to engage in more irresponsible tax cuts for the wealthy, but this is what has dominated the Republican leadership agenda from the get-go.

The Democratic alternative that we are debating now instead chooses to invest in our Nation, not cut \$2.2 billion from the Medicaid and SCHIP programs. The Democratic alternative that we are debating would create jobs and spur economic growth and not underfund the Small Business Administration.

The Democratic alternative honors our veterans by providing the full committee-recommended levels of \$33.2 billion for 2005. This is in stark contrast to the Republican plan which shortchanges our veterans by adding enrollment fees and by increasing copayments.

Our plan invests in the very institutions that make our country great, small businesses, health care and the educational system, and invests appropriate funding into our defense system and homeland security.

I would like to take a moment now and focus on how the Republican budget also impacts the Hispanic community. Hispanic families across the Nation join the millions of other Americans who are growing increasingly concerned and are demanding an actual budget that stabilizes the future of their health care, of their education and financial security. Unfortunately, all we see is cuts, cuts and more cuts of the programs that are vital to our community.

On the economic front, there are 1.4 million Hispanic workers still looking for jobs, without retraining and not able to continue their educational prospects, while the Democratic proposal funds job training and extends unemployment insurance through June 2005. The Republican budget offers empty promises.

I spoke earlier about our Nation's veterans. There are close to 1.1 million veterans in this country, and we need to be there for them.

Mr. NUSSLE. Mr. Chairman, I yield myself 1 minute.

The Washington Post has something to say about all of this discussion on veterans, and let me just read this to my colleagues because The Washington Post, I do not think anybody would accuse The Washington Post of being somehow shilling for the Republican Party.

It says here, in fact, in an article on March 24, just yesterday, "Veterans Funding Dispute not a Simple Matter," is the headline. And it says, in fact, Bush has never cut the agency's budget: "The President has proposed increasing its discretionary budget, funding for programs not required by law, in each of his annual budget proposals."

In fact, it goes on to say: "The bulk of that money would go to the agency's health care programs. Over the course of his administration, Bush, along with Congress, has increased that portion of the agency's budget by \$7 billion."

Now, again, there has been CBO discussion, there has been veterans discussion. This bill, that bill. Listen to The Washington Post. They even say our budget is not cutting funding for veterans.

Mr. SPRATT. Mr. Chairman, I yield 1 additional minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, if I have to choose with standing with The

Washington Post or the Disabled American Veterans, the American Legion, the Paralyzed Veterans of America, the Veterans of Foreign Wars in protecting veterans health care services, I think I will stick with the veterans groups.

Let us look at the bipartisan statement that was made, a letter signed by the Republican chairman of the Committee on Veterans' Affairs in the House in the last several weeks, saying that we need a \$2.5 billion increase in veterans health care just to keep from cutting veterans health care services during time of war.

The bottom line is they may not like it or not, but the Republican leadership who have to pay for their failed economic policies that have led to the highest deficits in American history want to ask veterans to balance this budget now on the backs of people who have already sacrificed for our country and people who are sacrificing in Iraq today.

The truth and the facts are stubborn things to fight, and the fact is they can throw out all the quotes from The Washington Post they want, but this budget will cut veterans health care services by over \$1 billion during a time of war. That is wrong and it is unfair, and it is why veterans groups are asking for the defeat of this unfair budget resolution.

□ 1630

Mr. NUSSLE. Mr. Speaker, I yield myself 1 minute.

Okay, Members do not believe The Washington Post, we will go back to the numbers from the Congressional Budget Office. The Washington Post may be understandably grumpy that Democrats are not standing with them, but we will get back to that in a minute.

I want to show Members what was going on during the time when President Clinton was in charge of the VA budget. Look at that flat line. Look at that flat line for veterans. Look what happened when President Bush took office, look how we have been increasing it.

It is one thing to come down here and claim what a terrible job Republicans are doing and what a terrible job that has meant for VA health care, but here are the facts: Under Republican control, under Republican Presidents, VA health care has gone up.

But it is not just the number for health care, look at the number of veterans that we are serving. During this period of time, the budget authority for veterans' medical care, look how we are serving more veterans.

Back during that Clinton period, which is the red period, we were not serving as many as we are now. That is why this is a good budget.

Mr. SPRATT. Mr. Chairman, I have no further requests for time, and I am prepared to begin the closing arguments, if I may reserve the time not yet used and add it to the 5 minutes for closure.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 5½ minutes remaining on this amendment, and the gentleman from Iowa (Mr. NUSSLE) has 8½ minutes remaining.

#### PARLIAMENTARY INQUIRIES

Mr. NUSSLE. Mr. Chairman, parliamentary inquiry. Does the gentleman ask unanimous consent to have this added on?

Mr. SPRATT. Mr. Chairman, we have to bring to conclusion this resolution, and then we move to a final conclusory debate on the surviving resolution, if this resolution does not prevail. Is that the sequence?

The CHAIRMAN. Under the rule, the last 10 minutes of general debate comes after the vote on this amendment.

Mr. NUSSLE. Mr. Chairman, parliamentary inquiry. Is it appropriate to make a request to expand that last minute by unanimous consent?

The CHAIRMAN. The debate on this amendment can be extended by unanimous consent as long as it is congruent, so both sides have the same amount of time; and so debate on the Spratt amendment could be extended by unanimous consent, but the vote has to be taken after the debate has concluded.

Mr. NUSSLE. Mr. Chairman, we have no further requests for time, so if the gentleman from South Carolina would go ahead and close debate on the Spratt amendment, I will close on it as well.

The CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) is recognized for 5½ minutes.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Chairman, here are the facts. In the year 2000, the last year of the Clinton administration, our budget was in surplus by \$236 billion. Members can see it right there. Our deficit reduction efforts went from a deficit of \$290 billion in 1992 to a surplus of \$236 billion in the year 2000.

Today, this year, we are told by the Office of Management and Budget that the budget will be in deficit by \$521 billion. That is a swing of \$757 billion in the wrong direction.

This budget before us sails into these tidewaters calling for additional tax cuts even though the budget is \$521 billion in deficit, mired in deficit as far out as the forecasts go, and even though these additional tax cuts can only have one effect, they will add dollar for dollar to the deficits that are already enormous, \$521 billion this year. If Members want to see what happens if we go on this course, if we take the course plotted by the President's budget, which is essentially what this budget is all about, Members can see on the first page of the CBO analysis of the President's budget, it will add \$5.132 trillion to our national debt of \$7 trillion over the next 10 years. It will raise the national debt to \$12 trillion.

We have heard it said on the House floor repeatedly that taxes are not part of the problem. Taxes are not all of the problem. We have had a terrible toll taken on our economy and budget by terrorism, by war, and a recession that was not fully foreseen. But look at the tax cuts on the bottom of this graph. But for the tax cuts in 2008–2009, we would be close to balance again. That is the effect that the tax cuts have on the effort before us.

Part of the problem is that not just the tax cuts have taken a big bite out of the revenue stream of the government, but the surplus of \$5.6 trillion, forecast 3 or 4 years ago, has now proved to be wrong. That left about half of the pie to be divided up, and fully 60 percent of that has been allocated to tax cuts, at least over the last 2 years. It has made it extremely difficult to bring this budget to balance, and additional tax cuts that the President proposes in his budget will make the problem even more intractable, more difficult to resolve.

Here is the tax cut agenda. It adds up to \$3.7 trillion over the next 10-year period of time. Add up everything that has been done to date, everything that is pending and what we believe to be politically unavoidable, such as a fix to the Alternative Minimum Tax, and the revenues to the government will be reduced by \$3.7 trillion over the next 5 years.

Now, the budget before us claims it will halve the deficit in just 5 years' time. It leaves the implication to many people that this reduction in the deficit will be linear. In truth, if Members read deeply into the budget, go into something called the Analytical Perspectives prepared by President Bush's own Office of Management and Budget, here is what happens to the budget deficit after 2009: It gets worse and worse and worse over time.

It does not self-correct. It will not go away with growth. We simply cannot glide to the objective that we all seek and get there without a bold budget plan, and the budget before us, the Republican budget before us, does not do the job.

What we offer as an alternative has great merit to it.

Now, what the Republicans have said repeatedly here on the floor is that spending is the source of the problem, and surely that is part of the problem. That is a significant share of the problem. But if Members look realistically at where the spending has occurred in the budget, they will find that 90 to 95 percent of the increased spending in the budget over the last 5 years has occurred in homeland security, defense, and the response to 9/11.

The administration says we have to have progrowth policies and we have to rein in spending, but it is unlikely that defense and homeland security are going to be reined in much, and if anything, they are likely to grow in the near future. So the spikes in the budget, the ones that Members would go to

if they really wanted to get the deficit down and do it by spending, would be defense.

This chart is difficult to understand, but it shows over 10 years, from 2002 to 2011, the cost of defense over and above inflation, over and above inflation, has gone up by at least \$1.3 trillion, and this assumes, as this hump shows, that we do not have any cost for Afghanistan and Iraq after 2004.

If those are added in, we have a \$1.5 trillion increase in defense. So then we begin to see the problem. We have a \$3.8 trillion tax cut agenda, reducing revenues by that amount, and we have a defense bill, a defense program, that is costing \$1.3 trillion to \$1.5 trillion over and above inflation and over and above what was budgeted just 3 or 4 years ago. When we put those two together, we have in a thumbnail the problem that confronts us right now.

Here are the numbers that correspond to what I was saying, that show that defense was going up by \$1.3 trillion. That assumes that the cost of Iraq ends this year; hopefully, it will, but that is doubtful. If it does not this could easily be \$1.5 trillion over and above where we were a couple of years ago.

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. SPRATT) has expired.

Mr. SPRATT. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Without objection, the gentleman from South Carolina may proceed for 1 additional minute.

There was no objection.

Mr. SPRATT. Mr. Chairman, we have come up with a budget which takes these difficult facts and, number one, tries to set a target date for bringing the budget to balance. We do that in 2012.

Secondly, we have tried to bring the deficit in at lower and lower rates each year, and lower than our opposition, the Republican budget on the floor. We have succeeded in doing that. We adopt the full PAYGO bill. As a consequence of what we propose in our budget resolution, we bring the budget to balance in 2012.

At the same time, within this fiscal framework, we provide for middle-income tax relief, we provide more for education, more for veterans' health care, more for science under the NSF function of the budget, for example, more for the National Institutes of Health, more for health care.

Usually we are bringing spending back up to baseline. It is not a great deal more, but it is more in almost every respect, proving we can deal with the deficit without pulling up the drawbridge. We can be compassionate conservatives, conservative in the sense that we bring the budget to balance, compassionate in the sense that we deal with the needs of the American people and our country and do not turn our backs on them.

This is a good resolution we are offering as a substitute. It is fiscally and

morally responsible, and I urge that every Member vote for it.

The CHAIRMAN. Without objection, the time of the gentleman from Iowa (Mr. NUSSLE) is also extended by 1 minute.

There was no objection.

The CHAIRMAN. The Chair would advise Members that the 10 minutes of debate remaining after the vote is taken on this amendment is general debate time and cannot be extended in the Committee of the Whole.

Mr. NUSSLE. Mr. Chairman, I yield myself the balance of my time.

First of all, I would like to extend my congratulations to the gentleman from South Carolina (Mr. SPRATT), who is my friend and colleague on the Committee on the Budget, for coming up with an alternative, the Democratic leadership substitute. As the gentleman knows and as I know, it is not easy to come up with a budget blueprint.

As I said at the outset of the debate, it is like when that family or couple goes to visit the architect and they have to come to grips with exactly what they can afford and what they want as far as what the home looks like, what the layout looks like. And it is a hard job to set a blueprint, but without a blueprint, it is pretty tough when the carpenters show up to do their work. It is a mess if the budget is not set out ahead of time exactly where the budget needs to go and exactly how you are going to get there.

That is why I compliment all Members who came today with a full budget substitute to the floor.

I would also like to thank our staff which does an awesome job of preparing us for debate, and preparing the budget itself. Tom Kahn and Rich Meade from the minority and majority staffs, they keep us in line and give us good information. We appreciate the job that they do in getting us prepared for this, and they have more work to do getting us to a conference report between ourselves and the other body.

□ 1645

And there is a difference between the sides of this aisle that we talk about that runs up and down the middle of this body; there is a difference in philosophy. That philosophy is going to come to bear today between the competition of these two budgets. One budget believes that we can continue spending at the rate we are spending in Washington, and it does not have the effect that we think on this side that it does. Another side believes that increasing taxes at this time in our economic situation is okay, is an appropriate part of the blueprint. I disagree. And we disagree on our side of the aisle. Raising taxes, increasing spending is not the recipe, is not the blueprint at this time for our Federal budget or for our economy. And why is that?

Unfortunately, over the last 2 days, so many Members have come to the

floor and have blamed tax cuts for everything. My goodness. I even heard, believe it or not, there were Members who came to the floor and said we were cutting volleyball teams because of tax cuts for the wealthy and all sorts of things like that. That is not only not in our budget, it is probably not in anyone's budget.

Tax cuts did not cause the deficit. As Members can see from this chart, the tax cuts only took us down a little bit. And why did we cut taxes? We did not just put this white wedge in there for no reason. There is a reason we reduced taxes. Because when President Bush inherited the recession from the previous administration, we had to act. We had to make a decision about what we were going to do with regard to the economy. We made a decision. It was philosophically opposed by the other side; but we can respect that, that people, families, farmers, businesspeople, workers, laborers, men, women, old, young, rich, poor, whatever it is, they spend their money more wisely than the government can for them. And if you let them keep that money and you let them spend that money and you let them work with that money and invest that money, they do a far better job of getting that economy going than anything the government has ever been able to do.

What are the results of reducing taxes that did not cause those deficits? Look what has happened to the economy. The last 6 months have been the fastest growing 6 months that our economy has seen in 20 years, 6 months of sustained, gigantic economic growth. People will say, where are the jobs? There is not an economist in the country that does not tell you that the very last thing that people do with their money is invest in job creation. Most of the other things that happen to start the economy going, it does not have so much to do with job creation. It is what is called a lagging indicator. It is about time for that lagging indicator to start heading in the right direction, and it is.

And just at that moment, just at that moment when the economy is ready to recover and jobs are just now starting to be created is not the time to come in with a gut punch to the economy and say, let us raise taxes on the very people who are increasing those jobs, who are putting on those extra people, who are taking the risk when they open that store in the morning and saying, I want to hire another person to work next to me. That is not the time to increase taxes, particularly because we do not need those taxes out here. We do not need it for extra spending.

Our budget says, Let's level-fund the government. Let's fund security, let's make sure we have got a strong America, let's make sure homeland security and national defense are funded, let's make sure we fund those priorities that keep us strong; but let's not increase spending for all of these wasteful

things. It is just like any family, any business, any farmer sitting around their kitchen table right now trying to figure out how to make ends meet. They will say to themselves, Honey, what can we put off till next week, till next month, to next year, maybe even longer? Maybe we can take a vacation a little closer to home. Maybe we can do some things to trim some of the expenses. Maybe we can do some things that make more sense than continuing to add to that spending. That is all we are asking our colleagues to do. It is common sense. But for some reason in Washington that common sense is often missed.

We define compassion in Washington by how much you are willing to spend. I have even fallen into that trap today. I have to confess that I have even fallen into that trap today, trying to convince veterans that because we are spending more money we must care more. That is not the definition. Or because we are spending more money in education, that somehow we care more. That is not the definition. Or somehow if we spend more money on farmers or spend more money on seniors or spend more money here or spend more money there, somehow that defines compassion. It does not. Oftentimes that money is wasted and wasted in ways that just frustrate the very people we are trying to help.

So let us not kill the jobs at the very moment in time. Spending is out of control. Before we even talk about another year's budget, look where we have come. Every single year, more and more and more spending. Where does that money come from? It comes from the pocketbooks of every American in this country. And so when the Democrats come to the floor and they say, When you're in a hole, stop digging, I say to you, We are stopping the digging. We are holding the line on spending. What I want you to do is stop digging in the pockets of families, farmers, ranchers, small businesspeople, and Americans across the country who are tired of paying more and more for wasteful Washington spending.

They are saying enough is enough, do with what you can, with what we have sent you, do a better job with what you already have. Do not ask us for more. That is why our budget does not increase taxes; it holds the line on spending. It says, let's look through the garden of all the different programs of our country and let's start looking for those weeds, let's start pulling those weeds, let's look for the waste, let's look for ways to trim that spending, just like every family and business across the country. We have had way too much spending that we are building on from the past.

One last thing I want to talk about on spending quickly. Oftentimes Members will hear that we are cutting spending, but in Washington, it is a code word. It is a code word for decreasing an anticipated increase. It is

just like when my son comes to me and says, Dad, I want 10 bucks a week for allowance and I only give him 8. Is it fair for him to scream that that is a \$2 cut? No, of course it is not. Only in Washington would a decrease in an anticipated increase or a desired increase or a wanted increase be called a cut. All of these accounts that we have been spending money on, many of which have been increasing at astronomical rates, we are building on a huge baseline as we move forward.

Last but not least, let me just say that I believe that this budget that we have put together does not do harm to our Nation's security. The most important issue, job one, is making sure our country's freedom is protected. If we are not free, there is not a word of this discussion that has made any difference at all, on my side or yours. If our country is not free, if we are not protected, if we are not strong, it does not matter what we do here today.

So vote for the underlying Republican budget, vote against the Spratt substitute, and let us make sure that we get to a balanced budget in the very near future.

Mr. RODRIGUEZ. Mr. Chairman, I rise today to express my strong opposition to the Republican Budget Resolution for Fiscal Year 2005 and my support for the Democratic Substitute.

Given the state of our economy and skyrocketing deficit, now is not the time to engage in more irresponsible tax cuts for the wealthy. But this is what has dominated the Bush Administration and the Republican Leadership's agenda from the beginning. They did this in spite of the many competing needs facing our country such as homeland security, healthcare, education, and veteran's issues.

The Democratic alternative that we are debating now instead chooses to invest in our nation. I would like to thank the gentleman from South Carolina, Rep. John Spratt, for his leadership on developing a realistic budget plan for our Nation.

#### HOMELAND SECURITY

When President Bush announced his budget in late January, he cut first responder funding by \$648 million and port security grants by \$79 million (63 percent). And the House Republican budget is even worse. The Republican budget includes the cuts outlined by the Administration and cuts homeland security funding by an additional \$155 million in 2005 and \$857 million over five years.

At a time when our Nation continues to face ongoing threats to our security, it is discouraging that the Republicans would choose to prioritize tax cuts over security. The Democratic budget addresses this misallocation of funds and adds back the Republican's budget cuts to the President's homeland security request, and also provides \$5 billion more than the President's budget over the next five years for homeland security.

#### SMALL BUSINESS

Even though 3 million jobs have been lost since the beginning of the Bush Administration, the Republican budget does nothing to create jobs here at home or end incentives for companies to ship jobs overseas. The President's budget cut Small Business Administration (SBA) funding by 10.4 percent and the

Republican budget significantly underfunds the SBA, an agency already experiencing problems, financing the important 7(a) loan program. Key SBA programs provide women, minorities, the disabled, and other small business owners with technical support and government-backed loans. Faced with major cuts in these programs, many of the nation's 23 million small businesses will not have the tools they need to succeed.

The Democratic budget restores the President's cuts to the SBA. During difficult economic times it is important to ensure our small businesses, who create three out of four new jobs, receive the necessary grant funding and support they need to survive.

#### VETERANS

The budget resolution put forth by the Republican leadership shortchanges America's veterans. Although the budget does include \$1.2 billion over the White House request, it is \$1.3 billion below the recommendation of the House Veterans Affairs Committee. Additionally, it is \$1.8 billion below the level needed to simply carry forward the same level of services from this year into next year.

By not following the lead of the Veterans Affairs Committee, the Republican proposal supports 13,000 fewer full time employees for veterans' medical care and will do nothing to help the thousands of veterans waiting six months or more to see a primary care physician. This is not the homecoming we want to give to our returning troops.

Our Democratic alternative provides the full committee-recommended level of \$32.3 billion for 2005. That funding level would eliminate the increased co-payments and enrollment fees proposed by the President's budget, and it would increase funds for medical facility construction and renovation. Additionally, it would provide the resources necessary for more responsive reviews of claims and appeals, improve access to care and reduce waiting time for all veterans.

#### EDUCATION

Just two years ago Congress authorized No Child Left Behind (NCLB) legislation designed to improve student achievement in our public schools. Unfortunately, the President and the Congressional Leadership continue to appropriate funds below the amount authorized in NCLB. This year, the Republican budget provides more than \$8.8 billion less than the amount authorized in NCLB.

How can we expect our teachers to better prepare our children when the federal government does not invest enough funds for education? The Democratic plan would provide \$51.4 billion more in appropriations than the President's education budget. These funds would help America's children by funding reading programs and training programs to improve teacher quality.

#### HIGHER EDUCATION

Despite rising college tuition costs, the Republican budget freezes the maximum award students can receive under the Federal Pell Grant program. The College Board reports that tuition and fees at 4-year public colleges today average \$4,694, however, the average student only receives a \$2,399 Pell grant award.

The Democratic proposal provides \$3.7 billion to the program allowing Congress to increase the maximum award, provides additional benefits to students by forgiving up to

\$17,500 of student loans for those who teach certain subjects in low-income schools and increases loan limits for first year students.

#### WORKING FAMILIES

The Republican proposal severely leaves behind America's working families. Two years ago, Congress enacted the Temporary Extended Unemployment Compensation (TEUC) program to provide 13 weeks of benefits for workers who exhaust regular state unemployment benefits before finding a job.

The unemployment insurance program is one of the greatest proposals Congress has ever passed to help workers during this struggling economy. The Democratic proposal would help the more than 760,000 jobless workers who have exhausted their state benefits by extending the program until June. Additionally, it would provide funding to maintain Section 8 housing programs and restore Hope VI funds for much needed public housing restoration.

#### HEALTHCARE

With 42 million uninsured Americans, we must look to improving our deteriorated public healthcare infrastructure system. It is in everyone's best interest—local governments, health districts, schools, hospitals, and the business community—to focus on healthcare. Because while we often think of healthcare as a deficiency, as something that sucks money away from other projects, we should instead think of it as an investment.

The House Republican budget however contains dangerous a dangerous provision that will cut Medicaid and SCHIP funds by up to \$2.2 billion. These cuts are unacceptable given the tremendous strain already facing our nation's health care system. Furthermore, cuts to Medicare will have a disproportionate impact on border residents. Border communities continue to face double-digit poverty rates and most have been classified as medically underserved areas. Any funding decrease for our safety net programs will have a detrimental affect on families and children living in this region.

Mr. Chairman, the Democratic plan invests in the very institutions that make our country great—small business, healthcare, our education system. And it invests appropriate funding into our defense system and homeland security. It is time for us to clean up our House and get our priorities straight—I urge Members to vote in favor of the Spratt substitute.

Mr. CUMMINGS. Mr. Chairman, I rise today in opposition to the Republican budget resolution, H. Con. Res. 393, and in support of the Spratt Democratic Alternative Budget.

Mr. Chairman, to call the Republican budget resolution a budget is really a stretch. As we all understand budgets, basically, they are supposed to reflect meaningful spending priorities, incorporate sound fiscal policy and in the end to balance themselves. The Republican and Bush budgets fail on all these points and needless to say the American people will suffer as a result.

Let me lay out why this is such a travesty. When the Bush Administration took office, the nation was in the proverbial days of milk and honey. The budget was experiencing a third year of record surplus and most of us in Congress were elated with the prospect of putting a permanent lockbox on the Social Security Trust Fund—all while keeping the nation's budget in the black at least until 2011.

Those of us who adhere to budgets, know that you always have to save money for a

rainy day, but apparently Republicans skipped this life lesson. In fact, they managed to squander the \$521 billion surplus and shepherd through \$1.7 trillion in irresponsible tax cuts. We are now facing a deficit of \$521 billion this year and debt accumulation of \$1.2 trillion over the next two years. I think the American people agree that these numbers do not reflect sound fiscal policy.

First, this 5-year Republican budget as reported, would result in a deficit of \$377.7 billion in FY 2005, with a promise to cut the deficit in half in five years to \$235.2 billion in FY09—with no prospect of balancing over its life. It is also a short-sighted budget, one that does not take into account many costs, like fixing the AMT. If this were a traditional 10-year budget, the numbers would be different and the outlook even more bleak. The Republican and Bush five year budgets are very disingenuous, since ten-year numbers would show even further deficits, having to account for the retirement of many Baby Boomers starting in 2008. If they were 10 year budgets, they would reflect the CBO estimates, that over the next 10 years, their tax cuts will actually cost our country over \$3 trillion.

Second, the Republican budget includes a reconciliation directive to the Ways and Means Committee to approve \$138 billion in tax cuts over five years—making nearly all of the 2001 and 2003 tax cuts permanent. We should not consider extending tax cuts, while we are considering the budget reconciliation legislation—especially when extending these tax cuts will not result in a better economy in the foreseeable future.

Third, the Republican budget caps placed in the bill will ensure that the steep cuts in domestic discretionary spending, outside of homeland security, remain permanent. I should mention that this budget also cuts numerous discretionary domestic programs, most of which are in education. The sleight of hand in this budget, is that the budget caps will not be used to restore funding to these programs in the out years, but to pay for the tax cuts for those who don't need them. Also, any subsequent entitlement increases under the Republican budget one-sided pay-go rules, have to be offset in the current year by decreased spending in a domestic spending bill. The tax cuts, however, do not need to be offset. This sounds very unfair to me and leads me to just one conclusion. This budget seems, by design, to hurt those who need our help the most.

Mr. Chairman, the Republican budget is inherently unbalanced. It cuts critical domestic spending by over \$120 billion, while increasing defense spending by over \$1 trillion. It cuts education, LIHEAP, WIC, child care, Medicaid, veterans' healthcare, and environmental protection, just to name a few. It jeopardizes Social Security by further extending tax cuts and it provides slipshod protection of our troops by not accounting for the current war efforts in Iraq and Afghanistan. It also jeopardizes teacher quality and training and ensures the "No Child Left Behind" Act, will be left behind by billions of dollars from its authorized funding level. How are students expected to meet the stringent accountability standards under the Act on a shoe string budget?

In contrast, the Spratt alternative budget focuses national spending on priorities that benefit all Americans. It does this by funding key domestic priorities which address the needs of

middle income and working families, while fully supporting the national defense and protection of our homeland. These priorities include education, health care, our veterans, homeland security, and an extension of middle-class tax cuts—all while achieving a balanced budget in 8 years.

It would immediately repeal tax cuts for the upper income brackets, the top 1 percent of income earners, who own 33 percent of the nation's wealth—and extend middle/low income tax cuts to help the bottom 50 percent, who account for just 3 percent of our nation's wealth.

Mr. Chairman, the Democratic budget alternative is feasible, balanced and fiscally responsible—it will get our country on the road to recovery while funding meaningful national priorities for our children, for our seniors, for our veterans and for our communities. It reflects the guiding principle that as a Nation we must come together and share in the sacrifice that is required to strengthen our economy and put us on better fiscal footing.

Mr. Chairman, in these difficult and troubling times, we have a tremendous responsibility as a Congress to protect and provide for the needs of all Americans. But I, and many of my colleagues, believe that the Republican budget plan callously throws this responsibility aside. The Republican-proposed \$1.4 trillion tax cut is a reckless measure to pursue, especially as we face war in Iraq and a continued war on terror—to defend our homeland and hometowns.

The Republicans and the President continue to claim unabashedly, that tax cuts will serve to stimulate our economy, but the evidence does not support this assertion. The 'trickle-down' tax cuts of 20 years ago did not revitalize our economy, and similar tax cuts today will not fare better. In fact, the CBO estimates that the Republican budget will add over a trillion in deficits over the next ten years, after completely depleting the surplus of the Medicare and Social Security trust funds. In the end, one can only conclude that the Republican budget balances itself on the backs of Americans who can least afford it.

Lastly on tax cuts, I must point out that tax cuts of 3 years ago did not prevent the loss of over 3 million private sector jobs—a more drastic tax cut today, as proposed in the Republican budget, likewise will not eliminate the resulting almost 6 percent high unemployment rate. It is completely implausible to think that tax cuts—80 percent of which goes to the top 1 percent—for those earning over \$250,000 or more, will revitalize and restore our economy. They cannot and will not. These tax cuts have shown themselves to be a failure and we should not continue with this disingenuous fiscal policy.

Mr. Chairman we have many challenges facing us in this Congress and in our country. We are one year into a war that often and rightfully diverts attention away from important debates. I would be remiss if I did not salute our men and women in the military who are fighting to defend our country—I support them wholeheartedly and pray for their safe return home. I hope we can restore the deep cuts to veterans benefits and health plans found Republican budget before our troops return.

In closing, the American people need to know that the Republican budget plan is an obstacle that keeps us from meeting the human needs challenges of our Nation. The

Spratt Democratic Budget alternative is a more fiscally sound, reality-based proposal—with priorities that reflect the needs of all Americans.

I urge my colleagues on both sides of the aisle to support the balanced Democratic Budget Substitute.

Mr. Chairman, today I rise in support of the Spratt budget substitute and strong opposition to the underlying Republican budget resolution.

Rhode Islanders are facing challenges on many fronts. Unfortunately, the budget proposed by House Resolutions does little to ease the burden of those currently facing education, health care, and housing obstacles. Worse yet, the Republicans want to continue to borrow more and more money from future generations to pay for their failed economic policies. Under the Republican budget, the obstacles we face today will only grow in the coming years.

Working within the horrible fiscal confines that the country has been boxed into by the majority, the Spratt substitute manages to balance the budget in 8 years, cut taxes for all taxpayers, and provide realistic funding for education, veterans health care, Medicaid, infrastructure and homeland security, which were all shortchanged by the Republicans. The Spratt substitute has a better bottom line than the Republican budget every year, so there will be lower deficits, smaller interest payments, and a less national debt. In addition, the Spratt substitutes restores PAYGO rules to ensure that spending is not increased or revenue is not decreased without fully offsetting the new costs. Simply put, the Spratt substitute is better than the Republican plan in every way.

As a member of the Select Committee on Homeland Security and the Armed Services Committee, I have been steadfast in my support for a strong national defense and a well-equipped Homeland Security infrastructure. Since September 11th, the government has worked daily to protect the American people from another attack. Unfortunately, this budget does little to provide for our men and women in uniform, or to bolster safety within our borders. The Spratt substitute fully funds our defense requirements and reserves money to ensure our troops in Iraq have the support needed. Veterans are not forgotten, and their health care programs are funded \$1.3 billion above the Republican plan. In addition, the Spratt substitute contains more than \$5 billion in additional homeland security funding for port security and first responders.

The budget before us does little to strengthen our country or offer Americans an equal opportunity to succeed. These difficult times require shared sacrifice to get our country back on track. We are asking our service members and first responders to sacrifice as they protect us at home and abroad. We are asking our working families to sacrifice as they try to weather the difficult economy and the job. This budget gives millionaires a "No Need to Sacrifice" pass while paying for tax cuts with money borrowed from future generations.

I believe in lower taxes, but I also believe in providing tax cuts for those who are in the greatest need. But under the Republican budget, those earning low to moderate incomes are passed over again in favor of benefits for the wealthy. One key point the majority continues to ignore is that they are increasing the "debt tax." Currently, every man,

woman, and child in America owes more than \$1,100 in interest alone on the national debt. Under the Republican plan, this increases to nearly \$1,750 per person by 2009. These interest payments do not provide security, education, or health care: they are a product of mismanagement of taxpayer funds.

Deficit spending has stymied job growth is plaguing our economy. No Rhode Islander would write a check without sufficient funds to cash that check. Neither should the government.

I urge my colleagues to join me in supporting the Spratt budget substitute and opposing the underlying Republican plan.

Mr. BACA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise today in opposition to the Republican Budget Resolution and in support of the Democratic substitute.

Mr. Chairman, I have one simple point or better yet one simple question to ask my colleagues on the other side of the aisle.

Where is the money to assure the best possible education for our children? Clearly not in this budget.

The Republican Budget:

Represents the smallest increase in education spending in 9 years.

It cuts \$1.4 billion in critical education programs.

It freezes Disabilities Education Act and Pell Grant leaving individuals billions of dollars short in funding.

It drastically cuts funding for Perkins Loans. It cuts vocational education by 25 percent.

The GOP budget provides \$479 million more to education. Even if these funds were devoted entirely to No Child Left Behind, it would still leave the GOP budget almost \$9 billion short of the amount promised.

Gentlemen, we are dealing with our children here, our future. You talk about Leaving no child behind . . . well let me tell you: You haven't even picked them up.

Unfortunately we have limited time allotted to discuss this proposal. Because I have only scratched the surface of the failure of a budget designed by the Republicans solely to give tax breaks to those that need it the least.

I'm sorry but this is not the Democratic vision of America, Democrats do not try to balance the budget on the backs of children, veterans, the elderly or the uninsured.

Mr. ETHERIDGE, Mr. Chairman, I rise in strong opposition to the Republican Budget and in support of the Spratt Substitute.

The budget is a statement of our nation's priorities. Unfortunately, the Republican budget represents misplaced priorities and misguided policies that hurt America's working families. In contrast, the Spratt Democratic Substitute offers a fiscally responsible approach that cuts the budget deficit and invests in the American people and our economic growth.

The Republican budget continues this Administration's dangerously reckless fiscal policies that have turned record budget surpluses into record budget deficits in just three years. The Republican budgets have turned a projected ten-year surplus of \$5.6 trillion into a projected deficit of \$2.9 trillion, a reversal of \$8.5 trillion. The massive national debt these deficits produce will be a crushing burden on future generations and hampers economic growth.

Republican economic policies have utterly failed America's working families. Under this

current Administration, the economy has lost three million private sector jobs, the worst performance since the Hoover Administration. This Republican budget resolution proposes more of the same failed economic policies and shortchanges important investment priorities.

Our first priority should be to invest more in education. As the former Superintendent of North Carolina's public schools, my top priority is to provide necessary funding for our schools. Unfortunately, this Administration continues to cut the President's own education reform initiative, the No Child Left Behind (NCLB) Act. This budget resolution cuts \$8.8 billion from NCLB, and over the first three years of the new law, the Republicans are cutting NCLB by \$26 billion.

The Republican budget spends the entire \$1.0 trillion Social Security surplus from 2005 to 2009, despite their repeated promises not to spend a dime of it. Federal Reserve Board Chairman Alan Greenspan recently testified to Congress Social Security benefits will have to be cut to make the Republican tax cuts permanent as they are now proposing. I strongly oppose cutting Social Security.

The Republican budget also provides less than is needed for veterans, fails to protect the environment, puts Medicaid and SCHIP at risk, cuts homeland security and underfunds key domestic priorities.

In contrast, the Democratic plan balances the budget within eight years through realistic policy choices that protect funding for key services. The Spratt budget also has a better bottom line than the Republican budget every year, meaning a smaller national debt and fewer resources wasted paying interest on the national debt. Chronic Republican deficits crowd out private borrowing, run up interest rates, and slow economic growth. As a fiscal conservative, I have always supported balanced budgets and responsible fiscal management.

The Spratt Substitute provides \$2.1 billion more for education than the Republican budget for 2005 and \$9.8 billion over the next five years. The Democratic budget also provides \$3.7 billion in mandatory funding to make up the current shortfall in funding for Pell grants and additional funding to make college loans cheaper for students.

The Spratt plan provides meaningful budget enforcement tools (PAYGO) to protect Social Security, provides middle class tax relief and invests in real job creation. The Democratic plan provides more for homeland security, veterans and the environment and protects public health.

In conclusion, I urge my colleagues to join me in voting against the Republican budget resolution and for the Spratt Democratic Substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from South Carolina (Mr. SPRATT).

The question was taken; and the Chairman announced that the noes appeared to have it.

#### RECORDED VOTE

Mr. SPRATT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 232, not voting 7, as follows:

[Roll No. 91]

#### AYES—194

Ackerman	Green (TX)	Napolitano
Alexander	Grijalva	Neal (MA)
Allen	Gutierrez	Oberstar
Andrews	Harman	Obey
Baca	Hastings (FL)	Oliver
Baird	Hill	Ortiz
Baldwin	Hinchee	Owens
Ballance	Hinojosa	Pallone
Becerra	Hoefel	Pascrell
Bell	Holden	Pastor
Berkley	Holt	Payne
Berman	Honda	Pelosi
Berry	Hooley (OR)	Pomeroy
Bishop (GA)	Hoyer	Price (NC)
Bishop (NY)	Inslee	Rahall
Blumenauer	Israel	Rangel
Boswell	Jackson (IL)	Reyes
Boucher	Jackson-Lee	Rodriguez
Boyd	(TX)	Ross
Brady (PA)	Jefferson	Rothman
Brown (OH)	John	Roybal-Allard
Brown, Corrine	Johnson, E. B.	Ruppersberger
Capps	Jones (OH)	Rush
Capuano	Kanjorski	Ryan (OH)
Cardin	Kaptur	Sabo
Cardoza	Kennedy (RI)	Sanchez, Linda
Carson (IN)	Kildee	T.
Case	Kilpatrick	Sanchez, Loretta
Chandler	Kind	Sanders
Clay	Klecza	Sandlin
Clyburn	Lampson	Schakowsky
Conyers	Langevin	Schiff
Cooper	Lantos	Scott (GA)
Costello	Larsen (WA)	Scott (VA)
Cramer	Larson (CT)	Serrano
Crowley	Levin	Sherman
Cummings	Lewis (GA)	Skelton
Davis (AL)	Lipinski	Slaughter
Davis (CA)	Lofgren	Smith (WA)
Davis (FL)	Lowey	Snyder
Davis (IL)	Lynch	Solis
Davis (TN)	Majette	Spratt
DeFazio	Maloney	Stark
DeGette	Markey	Stenholm
Delahunt	Matsui	Strickland
DeLauro	McCarthy (MO)	Stupak
Deutsch	McCarthy (NY)	Tauscher
Dicks	McCollum	Thompson (CA)
Dingell	McDermott	Thompson (MS)
Doggett	McGovern	Tierney
Dooley (CA)	McIntyre	Towns
Doyle	McNulty	Turner (TX)
Edwards	Meehan	Udall (CO)
Emanuel	Meek (FL)	Udall (NM)
Engel	Meeks (NY)	Van Hollen
Eshoo	Menendez	Velázquez
Etheridge	Michaud	Waters
Evans	Millender-	Watson
Farr	McDonald	Watt
Fattah	Miller (NC)	Waxman
Filner	Miller, George	Weiner
Frank (MA)	Mollohan	Wexler
Frost	Moore	Woolsey
Gephardt	Moran (VA)	Wu
Gonzalez	Murtha	Wynn
Gordon	Nadler	

#### NOES—232

Aderholt	Burns	Diaz-Balart, L.
Akin	Burr	Diaz-Balart, M.
Bachus	Burton (IN)	Doolittle
Baker	Buyer	Dreier
Ballenger	Calvert	Duncan
Barrett (SC)	Camp	Dunn
Bartlett (MD)	Cannon	Ehlers
Barton (TX)	Cantor	Emerson
Bass	Capito	English
Beauprez	Carson (OK)	Everett
Bereuter	Carter	Feeney
Biggart	Castle	Ferguson
Bilirakis	Chabot	Flake
Bishop (UT)	Chocola	Foley
Blackburn	Coble	Forbes
Blunt	Cole	Fossella
Boehlert	Collins	Franks (AZ)
Boehner	Cox	Frelinghuysen
Bonilla	Crane	Gallely
Bonner	Crenshaw	Garrett (NJ)
Bono	Cubin	Gerlach
Boozman	Culberson	Gibbons
Bradley (NH)	Cunningham	Gilchrest
Brady (TX)	Davis, Jo Ann	Gillmor
Brown (SC)	Davis, Tom	Gingrey
Brown-Waite,	Deal (GA)	Goode
Ginny	DeLay	Goodlatte
Burgess	DeMint	Goss

Granger	Manzullo	Ros-Lehtinen
Graves	Marshall	Royce
Green (WI)	Matheson	Ryan (WI)
Greenwood	McCotter	Ryun (KS)
Gutknecht	McCrery	Saxton
Hall	McHugh	Schrock
Harris	McKeon	Sensenbrenner
Hart	Mica	Sessions
Hastings (WA)	Miller (FL)	Shadegg
Hayes	Miller (MI)	Shaw
Hayworth	Miller, Gary	Shays
Hefley	Moran (KS)	Sherwood
Hensarling	Murphy	Shimkus
Herger	Musgrave	Shuster
Hobson	Myrick	Simmons
Hoekstra	Nethercutt	Simpson
Hostettler	Neugebauer	Smith (MI)
Houghton	Ney	Smith (NJ)
Hulshof	Northup	Smith (TX)
Hunter	Norwood	Souder
Hyde	Nunes	Stearns
Isakson	Nussle	Sullivan
Issa	Osborne	Sweeney
Istook	Ose	Tancredo
Jenkins	Otter	Taylor (MS)
Johnson (CT)	Oxley	Taylor (NC)
Johnson (IL)	Paul	Terry
Johnson, Sam	Pearce	Thomas
Jones (NC)	Pence	Thornberry
Keller	Peterson (MN)	Tiahrt
Kelly	Peterson (PA)	Tiberi
Kennedy (MN)	Petri	Toomey
King (IA)	Pickering	Turner (OH)
King (NY)	Pitts	Upton
Kingston	Platts	Visclosky
Kirk	Pombo	Vitter
Kline	Porter	Walden (OR)
Knollenberg	Portman	Walsh
Kolbe	Pryce (OH)	Wamp
Kucinich	Putnam	Weldon (FL)
LaHood	Radanovich	Weldon (PA)
Latham	Ramstad	Weller
LaTourette	Regula	Whitfield
Leach	Rehberg	Wicker
Lee	Renzi	Wilson (NM)
Lewis (CA)	Reynolds	Wilson (SC)
Lewis (KY)	Rogers (AL)	Wolf
Linder	Rogers (KY)	Young (AK)
LoBiondo	Rogers (MI)	Young (FL)
Lucas (OK)	Rohrabacher	

## NOT VOTING—7

Abercrombie	McInnis	Tauzin
Ford	Quinn	
Lucas (KY)	Tanner	

## ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised 2 minutes remain in this vote.

□ 1724

Mr. GILCHREST, Mr. OTTER and Ms. DUNN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order for a period of final general debate on the concurrent resolution. The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 5 minutes.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. My understanding, Mr. Chairman, is that the gentleman from South Carolina (Mr. SPRATT) is going to go first, then myself, then the minority leader and then the Speaker, is I think how we are going to wrap up the debate. So I will allow the distinguished gentleman from South Carolina to begin the closing debate.

Mr. SPRATT. Mr. Chairman, if the gentleman would allow me to do something he did earlier, and that is acknowledge the indefatigable work that our staff did. Tom Kahn, my chief of

staff, Joe Minarik, and the staff members in back of the aisle, Sarah Abernathy, Arthur Burris, Linda Bywaters, Dan Ezrow, Jennifer Friedman, Jason Lumia, Sheila McDowell, Diana Meredith, Kimberly Overbeek, Scott Russell, Andy Smullian, Lisa Venus, Andrea Weathers, Jason Venner and Allison Colflesh, they have worked extremely hard over the last several weeks to bring this to fruition, and I am grateful for all of their support. By the same token, I know the chairman feels the same way about his staff.

Mr. NUSSLE. If the gentleman would permit me, I would say the same about the majority staff and all of our staff, and the members of our floor staff that are here that have endured the discussion over the last number of days. I hope they got their "millions" and "billions" all in the right places. We appreciate their help as we moved through this debate.

Mr. SPRATT. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, this has been a long debate for which I am grateful because the gravity of this problem calls for it.

I wish all our effort could have been devoted to the search for common ground for a better solution; but I am afraid, as we bring it to a close, we find ourselves diverging more than converging. That is unfortunate, because the longer we put off the resolution of this problem, the more difficult it is going to become.

Here is the situation in a nutshell: the government will run a deficit this year of \$521 billion. The President and our Republican colleagues claim that their budget will cut that deficit in half over the next 5 years; but, pardon me, I doubt that.

For one thing, on the spending side, they leave out any supplemental funding beyond 2005 for Iraq and Afghanistan. I wish they were right about that, but I doubt it. On the revenue side, they leave out any fix for the Alternative Minimum Tax, even though the Treasury Department tells us it will soon affect 30 million tax filers. So it is unrealistic to project revenues without it.

Worse still, after 2009, the Republican budget quits; and that is when it really gets tough. That is when I am afraid the budget gets worse. They leave us expecting that the budget is linear and that over time the deficit will be reduced, the half that is supposedly left in, but I do not think it will work out.

Let me just show you a few charts. At the expense of maybe showing you some things you have already seen, the first chart is a roller coaster. What happened when Bill Clinton came to office, President Clinton came to office with a \$290 billion deficit. He put it in surplus by the year 2000 by \$236 billion. It took really three budget agreements to bring it to resolution like that. Then in the last 4 years, you see this precipitous decline.

Now, I know that recession, terrorists, and war have all taken their toll

on the economy and the budget; but there were conscious, deliberate choices made that caused this budget to skyrocket down.

There in another graphic portrayal is what happened. This is the Clinton administration building up surpluses, moving from deficit to surplus. Every year the bottom line of the budget is better. And here is the Bush administration, every year it gets worse and worse.

This chart shows on the far left side where we are today, looking at a deficit this year of \$521 billion, a swing in the budget over the last 4 years of \$760 billion, a phenomenal reversal of fiscal discipline.

Despite the claims the President makes that he will cut this in half, when we make what we regard as basic, realistic, politically inevitable adjustments to his budget, this is where you end up in 2014, not with a diminished deficit, but about where we started out, \$502 billion as opposed to \$521 billion. It treads water, at best.

□ 1730

The problem does not go away. It does not go away with growth; it does not go away with anything but an effort to bring it to healing.

Here is part of the problem. We have heard the Republicans say here that tax cuts have not done all of that. That is true. Part of the problem is that these surpluses were overestimated by 50 percent to start with. Now, when we look at the size of their tax cuts, the wedge taken out of the tax cuts, by the tax cuts out of the remaining surplus, that is about 50 to 55 percent. It is about half the problem that we are looking at today.

Here is another aspect of the problem right here. The tax cut agenda is \$3.77 trillion over the next 10 years. This is pending, enacted tax cuts already. On top of that, we are increasing defense over the same period of time by about \$1.3 trillion over inflation.

That is why, as this chart right here shows, the big hump is the cost of Iraq and Afghanistan. If we extend it, taper it off, and it concludes up here, we will add about \$1.5 trillion over and above inflation to defense between 2002 and 2011, more than we anticipated spending in current services.

I am not saying it is not needed. What I am saying is, when the Republicans say we have to bring spending to heel, we have to bring spending under control, this is where it is occurring, as this next graph shows. As these three bar graphs show, over the last 4 fiscal years, 90 to 95 percent of the increase in spending over and above current services has occurred in these accounts, and they are not likely to be reined in.

Mr. Chairman, we are not coming to grips with the budget today in this resolution. Unfortunately, the resolution avoids bold strokes and it will take bold strokes, believe me, to untie this Gordian knot.

If we want to strike a bold stroke, if we want to do something about the deficit, if we want to do something about saving and making solvent Social Security, vote against this budget resolution. That is the single best thing we can do for deficit reduction and for putting our country back on fiscal track. Vote against it, send us back to the drawing board. Let us come to the House with something worthy of passage, something that will put us back on a path to a balanced budget. This resolution will not do it.

Mr. Chairman, I reserve the balance of my time.

Mr. NUSSLE. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we need a budget blueprint in order to build for the future. We cannot have the carpenters show up without a blueprint. A mess would ensue, as one might imagine. We cannot have the subcontractors do their work. We cannot have any of the folks who need to construct the house show up for work without a blueprint, and that is what a budget provides. It provides the framework so that all of the rest of the fine-tuning and detail work can be accomplished.

Even before the end of last year, we knew what priorities were going to have to be part of this budget; they were becoming very clear. Spending had to be kept under control, there was no question. When we talked to colleagues, when we talked to constituents, no matter where we went, controlling spending had to be a hallmark of whatever budget plan came together.

We heard, too, that growth of our economy was vital to getting our country back on its feet. So we came together with all of the extraordinary circumstances that our country has been dealt over the last number of years and we knew we had to go to work.

We had a growth deficit in our economy, and we dealt with it by reducing taxes and a progrowth policy which has given us 6 months. The last 6 months were the fastest growing 6 months in over 20 years, because tax relief is working, Americans are being put back into working positions. They are spending their money much more wisely than the government can for them, and America is growing again.

We also learned painfully about the defense deficit, about the homeland security deficit in our country, and we went about the work to make sure that America was protected, and we did it most often in a bipartisan way, but most often led by Republicans to ensure that America was strong once again.

We also had a Medicare deficit, because a program that was invented in the 1960s was not keeping up with the times. Americans were not receiving drug benefits or simple prevention systems under health care programs that were invented to help them. So we changed that Medicare program to provide them the first-ever prescription

drug benefit, put in as part of our blueprint that we have here today. So that we filled in that gap, that Medicare deficit.

As a result of much of that work, yes, we have a Federal budget deficit that we also have to go to work on. But we have the ability to accomplish deficit control.

My friends on the other side have learned the words to the song of fiscal responsibility, but they do not know the music. The music is controlling spending. That is what we have to do. The only thing that we pay for in Washington is spending. What is paid for when we pay for taxes is paid for out of the pockets of Americans, out of their hard-earned money that they earn out of small businesses, out of farmers, out of ranchers.

When we talk about paying for tax cuts, the only people who pay for taxes in this country are Americans, and in order to get our budget deficit under control, the way we control it is by growing the economy and controlling spending.

Spending has been out of control, and we can see from this chart that recent spending every year in the last 3 years has grown by 6 percent. We are asking that we begin to hold the line. We are not saying cut. We are not saying eliminate. We are saying hold the line.

Yes, the decisions will be difficult, there is no question. We have carved out items that are important such as increases in veterans' spending, 1.2. We allow for an increase, even over what the President requested for veterans, of \$1.2 billion.

We have increases in education. We have increases in here for homeland security and for national defense, and we ask that we hold the line in other accounts in order to get Federal spending under control.

Mr. Chairman, the three hallmarks of our budget are strength, growth, and opportunity. First, because if America is not strong, America is not free, and we have got to protect our country; otherwise, the rest of this discussion on the budget is just a bunch of numbers that do not make any difference.

Second, America has got to continue to grow, because to remain the most prosperous superpower Nation, America's economy has to be able to continue the growth that we have seen and the job creation that we have enjoyed.

But we also know that our greatness comes from the unlimited opportunities that America's freedom provides, which is why opportunity is the third hallmark of our budget.

This is all done within a framework which is fiscally responsible.

Mr. Chairman, we believe that we have a framework to move our country forward to provide strength, growth, and opportunity, and I ask my colleagues today to support it so we can get our country back on a fiscally responsible path.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), our distinguished minority leader.

Ms. PELOSI. Mr. Chairman, I thank the gentleman from South Carolina for yielding me this time and for his tremendous leadership in presenting to this House of Representatives, to this Congress, a budget that is values-based and that is fiscally sound. I join my colleague in commending the members of his committee and his staff for helping to put together this very, very important proposal to this House.

I also want to thank the members of the Black Caucus and Progressive Caucus for their very, very smart work that they did to bring a values-based budget to the floor, and the members of the Blue Dog Caucus for what they have done. Their tremendous leadership on fiscal soundness is something that is important to this Congress, important to our caucus, and important to our country. Thank you to the Blue Dogs for infusing fiscal soundness back into the Congress of the United States. It seems to be a priority of our colleagues on the other side of the aisle, who had been known as deficit hawks, but have become endangered species when it comes to that fact.

Mr. Chairman, this budget that we are talking about today should be a statement of our national values. Every year we say this on the floor. It should be a statement of our coming together to build a budget, a blueprint for the future on how we prepare a better future for our children by way of their education and access to health care, how it grows the economy to create jobs, how it protects our environment and, of course, provides for our national defense. And, today, that includes homeland security. But for the fourth time in 4 years, the Republicans in Congress and President Bush, indeed, have sought to pass a budget that is nothing less than an assault on our national values.

The American people expect and deserve, and the Democrats have proposed, a budget that reflects the urgent priorities of Americans' everyday needs. Good jobs, better access to health care, the best possible education for their children, a safe and clean environment, and a secure America. Instead, because of distorted Republican priorities and their reckless economic policies, we are considering a Republican budget here today that will have serious consequences for the American people. Instead of a blueprint of positive initiatives for the future, it is a blueprint for disaster.

The Republican economic record of the past 3 years is as shameful as it is clear. In 3 years, Republican economic policies have lost nearly 3 million jobs and added more than \$3 trillion to the national debt. The gentleman from South Carolina has very eloquently and in a very detailed way talked about what has happened from surplus in the Clinton years to deficit in the

Bush years. Unbelievably, this budget continues that misguided course. It does not grow the economy.

The distinguished chairman of the Committee on the Budget talked about growth. It does not grow the economy to create jobs here at home or, in fact, to stop jobs from going overseas. It is a historic budget in that it has the largest budget deficit in history, \$521 billion in this year alone. It fails to put our fiscal house in order by failing to reach balance.

And what is the impact of this budget deficit, in addition to mortgaging our children's future?

The National Association for Business Economics said that the main threat to the economy, the main threats to the economy are the soaring budget deficits and the sluggish job market, and the UCLA Andersen Forecast said job growth will not match labor force growth this year because new hiring will be constrained, because of weaker consumer spending and bulging government deficits. This lack of job growth and this deficit are related. Instead of being a statement of our values, as I have said before, this Republican budget is reckless and the consequences are severe.

But you be the judge.

On education, do you consider it a statement of your values to give tax cuts to people making over \$1 million a year and cutting over \$9 billion from No Child Left Behind? Is that a statement of our values in this Congress?

On health care, this budget takes away more than \$1 billion from States' Children's Health Insurance Programs, from the SCHIP program over \$1 billion, and cuts \$2.2 billion from Medicare. Is it a statement of our values to give tax cuts, bigger tax cuts to people making over \$1 million a year and increasing the number of uninsured in America with these cuts to more than 1.6 million in this year alone? I do not think so.

Is it a statement of your values to leave our veterans behind? And the military, the promises to leave no soldier behind on the battlefield, and when they come home we just leave our veterans behind?

□ 1745

So this is not enough to talk with sacrifice and valor and patriotism of our military and our veterans. We must not fail to meet their needs. So is it a statement of your values to give tax cuts to people making over \$1 million a year and cutting \$1.6 billion from veterans services, as this budget does?

The gentleman from South Carolina's (Mr. SPRATT) budget does not do that. It rearranges the spending on defense in the budget to meet the needs of the veterans and the needs of their survivors. I thank the gentleman from South Carolina (Mr. SPRATT) for his values-based budget.

On homeland security, I was absolutely, and I am rarely surprised, rarely surprised around here, but it was

really astonishing to hear the distinguished chairman talking about the homeland security funding in this budget. This budget cuts \$850 million from the already meager proposal that President Bush made in his budget. It cuts President Bush's budget on homeland security. Is that a statement of our values?

I thank the gentleman from South Carolina (Mr. SPRATT) for adding \$5 billion over and above what the President had in his budget to reverse some of the cuts in police and fire funding that we need to protect our homeland.

Mr. Chairman, some people were talking about music and words, and we have the words and they have the music and all the rest. There is a song, "America The Beautiful," and there is a sentence that I find haunting and inspiring as a Member of Congress. It says, "O beautiful for patriots' dreams that sees beyond the years."

That is what our responsibility is here. We are supposed to be here to see beyond the years, to prepare a better future for our children; and, indeed, it is our patriotic duty to have a budget that is balanced and not again mortgaging their future, indebting them for generations to come. And it is our patriotic duty to have a budget that reflects our values, that we educate our children; indeed, nothing does more to grow the economy than that. It is our patriotic duty to provide for our children, their education, their health care, the economic security of their families, including the pension security of their grandparents, a safe environment for them to live and a secure America. But this budget does not do that. It is not beautiful for patriots' dreams.

The gentleman from South Carolina's (Mr. SPRATT) budget is.

Led by the gentleman from South Carolina (Mr. SPRATT), House Democrats offered a budget today that spoke to the American people's aspirations for good jobs, better access to health care, the best possible education for our children. The gentleman from South Carolina's (Mr. SPRATT) budget rose to meet the challenge of homeland security, to really meet that challenge. And the Spratt budget would not add one penny to the deficit. It is fiscally sound and patriotic.

Mr. Chairman, the budget that the Republicans have before us does not have a values base. It does not have fiscal soundness, and it should not have your support.

I urge a "no" vote on the Republican budget.

Mr. NUSSLE. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Chairman, I rise today in support of the Nussle budget and in opposition to the various tax and spend alternatives that we have heard from the other side of the aisle.

The Nussle budget is the best alternative if you want to keep the econ-

omy growing, if you want to keep the country secure, and if you want to keep spending under control. If you want to keep the government growing, if you want to keep the tax burden rising, if you want to keep jobs flowing overseas, and if you want to make America less secure, you can find a Democratic budget alternative that is more to your liking. But, once again, as we do every year, we have two radically different visions for the future of America presented in the budget debate.

The budget is important because it is in the budget that we make the choices in how we choose to govern in this country. The Nussle budget calls for responsible government. And I guess when you talk about responsible, maybe we do talk about values and we talk about values of not spending beyond our means, and we talk about values of protecting our children's future. It says that we should not raise taxes just as the economy is finally getting its footing. It fully funds the war on terror and our homeland defense; and, incidentally, it raises homeland defense, not cuts homeland defense, 9.5 percent, so that our troops have the equipment and the training and the pay and the ammunition and the support of this Congress to keep this Nation secure.

The 9/11 Commission is now examining what happened in the days leading up to the worst attacks against America in our Nation's history. And one inescapable conclusion is that we did not invest enough money in our intelligence community in the late 1990s so that they could do the job to protect America.

The leaders of the Democrat minority voted consistently to cut intelligence spending throughout the 1990s as they voted to slash defense spending. And that anti-defense, anti-intelligence philosophy lives on in one of the Democratic alternatives that we have before us today. We will not make that mistake again. We should do everything within our power to make certain that what happened on September 11, 2001, never happens in this country again.

The Nussle budget calls for spending restraints in the rest of the budget. I think that is appropriate, and some people may even call that a value. We no longer live in the era of surpluses because of the war, because of terrorism, because of the downturn in the economy; and we do have a big deficit. We need to spend less money and this budget spends less money.

We disagree with our Democratic colleagues who by tradition want to spend more money here in Washington and raise taxes to do it. And when we say we want to cut waste, fraud and abuse, they say that we are gutting the programs that they care about the most. The Democrats do not believe that government wastes any money or that the government can become any more efficient or that higher productivity for government employees is a good thing.

They will defend the bureaucracy with every rhetorical weapon in their arsenal. We challenge the bureaucracy to do more with less. We ask them to weed out waste and fraud and abuse.

We believe that a bloated Federal Government is bad for the economy, bad for the taxpayers, and bad for the fiscal future of this Nation.

Our Democratic friends want you to believe that their tax increases will hit the richest Americans. You heard it 15 times in the last speech. Why should we not tax the million-dollar earners? Well, I will tell you who they are. The million-dollar earners are the small business owners, they are the entrepreneurs, they are the job creators, and they hit the job seekers the hardest.

When you go to my district in the Fox Valley of Illinois, it is the small business people, it is the small entrepreneurs that are creating jobs in this country. They are doing it today. We do not want to handcuff them.

The Democrats like to talk about how they help the jobless, but their budget policies will keep the jobless from getting jobs. Higher taxes kill jobs. In fact, 95 percent of the entrepreneurs who file as Subchapter S Corporations or partnerships will be hit by the Democrats' taxes, while 58 percent of small business owners would also be hit. These higher taxes would make it harder to hire that extra worker or expand that business to keep competitive with the Chinese or the Europeans.

In this economic environment, the last thing we need is a policy that kills jobs.

This is a familiar debate. The Nussle budget promotes a stronger defense, a stronger economy and a smaller and smarter government. The various Democratic alternatives promote bigger government, a bigger tax burden for America's job creators, and a bigger fiscal mess down the road.

In this debate we have heard it time and time again, it is not really a debate of policy. It is really a debate of philosophy. It is a debate that asks the question, can government spend people's money better and can government make better decisions for our children and ourselves or can people spend their money better and can people make better decisions for themselves?

Vote for the Nussle budget and vote to keep America strong and secure.

Ms. SCHAKOWSKY. Mr. Chairman, I rise today against the Republican budget and for the Democratic and CBC alternative budgets.

The members on the other side of the aisle describe their budget as one that "recognizes the fundamental obligations of the Federal Government." It does no such thing. In fact, it is nothing short of a political document that turns a blind eye to our obligations.

The House Republican budget is indefensible. House Republicans followed the lead of President Bush and passed a budget that goes after the poor, the homeless, and the elderly. Republicans value more tax cuts for the rich over meeting the needs of senior citizens, working families, the unemployed and the majority of Americans. Medicaid and Section 8

vouchers are slashed so they can pay for missile defense, subsidies to Halliburton and tax cuts for the wealthy.

The Republican budget cuts and underfunds programs that have been proven to strengthen our country and provide opportunities for the future. The so-called "education President's" own No Child Left Behind is underfunded by \$8.8 billion. While college costs have skyrocketed, the GOP budget keeps the Pell Grant maximum at the same level it was three years ago. There is no money for the Family Opportunity Act, which would provide health insurance for disabled children. It tells my committee, Energy and Commerce, to make \$2.2 billion in Medicaid cuts over the next five years, jeopardizing health and long term care for 52 million Americans.

Section 8, low-income heating assistance of LIHEAP, child care assistance—programs that help people pay the bills and keep roofs over their head in tough times like these—are cut by \$3.7 billion. We could see 250,000 people lose affordable housing this year under the GOP budget. Veterans' health care is underfunded again, this time by \$1.3 billion below what the Republican Chairman of the Veterans' Affairs Committee recommended. Over the next five years, the Republican budget will cut these and other domestic programs by \$36.9 billion. At a time when so many families are worried about jobs, health care, and education, this budget puts their future on the chopping block.

Parents cannot afford to send their children to college. Seniors cannot afford their housing, heating bills or medicine. Veterans have to wait for months to see a physician at the VA. Teachers still have to buy their own school supplies. Democrats offered a clear alternative to the destructive plan Republicans pushed through Congress. We will continue to fight for a fair budget that will fund America's true priorities.

Mr. GREEN of Wisconsin. Mr. Chairman, the House-passed Fiscal Year 2005 Budget Resolution marks another step forward in our efforts to increase the level of funding reserved for America's brave veterans. The budget will increase VA funding by \$9.3 billion over last year, which was preceded by an increase of \$9.1 billion for the previous two years. In addition, the budget excludes new increases in prescription drug copayments and VA enrollment fees. Even so, I would have liked to have seen more done for our growing veterans population, and I will do all I can in the coming months to do just that.

As you know, I signed a letter last week requesting the level of funding for veterans be increased to match that of the Senate-passed budget. I have now received a letter from VA Secretary Anthony Principi certifying that the House budget plan provides sufficient funds for the VA to continue providing high quality care in the coming fiscal year. Nonetheless, I pledge to work with the House-Senate conferees to increase the final funding level for veterans in the budget, and will push my colleagues on the appropriations committee to provide additional increases for our nation's retired servicemen and women.

Mr. KIND. Mr. Chairman, the President and majority party in Congress have presented budgets that continue down the path of fiscal recklessness and misplaced priorities. Their plan continues to fail working families, continues to fail seniors, continues to fail vet-

erans, and continues to fail children by expanding already record deficits that will hamper economic growth and burden future generations.

Perhaps most disturbing is that the majority has no plan to return the federal government's books to balance. While they claim that their budget plan will cut in half the current record deficits that their economic policies helped create, realistic projections, including pages in the President's own budget, show deficits as far as the eye can see under their plan.

Their plan continues the downward fiscal spiral of our government at exactly the wrong moment in our nation's history when we have 80 million baby boomers rapidly approaching retirement age and starting to enter the Social Security and Medicare systems. Instead of the irresponsible budget before us, we should be trying to practice fiscal discipline to get the nation on sound fiscal footing in anticipation of that demographic time bomb going off and protect the monies in the Social Security and Medicare trust funds.

This requires making tough choices on spending and revenue, and it requires us to move away from the status quo toward a new plan that helps working families, meets the security needs of our country, protects important programs here at home, and finds balance within a specified time frame.

The alternative budget proposal offered by Mr. SPRATT meets this challenge and sets a new course toward fiscal sanity. It includes more funding for programs important to people in western Wisconsin such as education, veterans' health care, environmental protection, and first responders. It fully funds our national defense, and provides necessary tax relief for working families. By reducing a portion of the individual tax cuts for those making over \$500,000 yearly income, the Spratt alternative provides working families relief from the marriage penalty tax and extends the child tax credit.

In addition, the Democratic alternative returns the federal budget to balance in eight years—something the Republican budget never does. It supports important budget enforcement measures that were present in the 1990's and kept government on track to record surpluses. The Republican leadership has continually refused to reinstate these important, common sense enforcement tools that simply require offsets for spending and revenue changes in law that would otherwise increase the budget deficit. These so-called "pay-as-you-go" provisions require government to pay its bills and stop the fiscal bleeding.

Budgets are all about priorities. The alternative budget proposal I support makes education a priority by providing \$51.4 billion more than the President's budget over 10 years, helping local school districts meet the requirements of No Child Left Behind and making college more affordable for all students. It makes veterans health care a priority by providing \$6.6 billion more than the majority over five years, meeting the request of the Veterans' Affairs Committee and veterans' organizations. And it makes job creation and worker training a priority while proving tax relief for working families.

Let us pass a sensible, fiscally responsible budget that protects important American values so that years from now, we can look back and say, yes, we had to make some tough decisions, but they were the right decisions

under the right circumstances, and American families are the primary beneficiaries as a consequence. I urge my colleagues' support of the Democratic alternative.

Mr. JIM DAVIS of Florida. Mr. Chairman, our debate this afternoon is in part over our disagreement about the best way to address the ever growing debt and now record deficit. Despite the many differences enumerated this afternoon there are certain truths which must direct our decisions:

The Federal debt now tops over 7 trillion dollars. This amounts to over \$24,000 worth of debt per U.S. resident. That's an awesome burden to place on the backs of our children.

This year, U.S. taxpayers will waste \$156 billion on interest payments on the federal debt—money that should have helped support our troops in the field, students in the classroom and seniors relying on Medicare, Medicaid and Social Security. And as this deficit spirals out of control, our government's excessive borrowing will deal a blow to our economy by forcing up interest rates for small businesses, homebuyers and students who rely on loans.

Federal Reserve Board Chairman Alan Greenspan has highlighted the risks of sustained deficits saying, "History suggests that an abandonment of fiscal discipline will eventually push up interest rates, crowd out capital spending, lower productivity growth, and force harder choices upon us in the future."

The U.S. federal deficit is now among the highest in the industrialized world, and our debt level is fast approaching those of other major industrial countries. With the federal debt now close to 40 percent of the Gross Domestic Product, deficits will likely put pressure on the U.S. dollar.

As a member of the New Democrat Coalition I have supported a fiscally responsible deficit reduction plan to balance the budget in 10 years, suspend recent tax cuts for the top two tiers of earners, eliminate corporate tax loopholes, prioritize spending and revive budget enforcement mechanisms, such as the Pay-As-You-Go (PAYGO) provisions which Senate Democrats and Republicans passed to force the government to live within its means.

The Senate plan sent alarms through this chamber last week because the Senate Budget Resolution includes genuine Pay-As-You-Go provisions that can bring fiscal responsibility to the budget. The House Budget Committee's version betrays the budgetary spirit of Pay-As-You-Go because it enforces budgetary constraints on entitlement programs but not tax cuts. Tell me Mr. Chairman how this unbalanced approach to the budget will eventually lead to a balanced budget.

The President visited my district a few weeks ago and during a speech about the economy never once did he mention the \$7 trillion dollar debt or the record deficit this country now faces. Never once did he mention the potential for harm and devastation that rising interest rates pose for small businesses and exporters in my district. And not once did he mention any one of the 2.6 million jobs lost throughout the country since 2000. We cannot continue to ignore the implications of our fiscal irresponsibility.

By failing to mention these concerns, the President has forgone all responsibility for addressing them. So in closing, I urge my colleagues to take up the responsibility thrown off by our leadership. Defeat the Republican

House Budget Resolution because it fails to implement meaningful budgetary mechanisms that will bring this budget into balance.

Mr. SANDLIN. Mr. Chairman, the House Republicans should be ashamed for once again producing a budget that assaults the health needs of our most vulnerable citizens. In their annual attempt to slash needed programs and funding the end result is clear—the safety net for our Nation's health care will deteriorate and people will surely suffer.

With the economy in shambles and job opportunities plummeting, American families are struggling to stay afloat right now. I can not stand by and allow our Congress to abandon our Nation's families' need for assistance with basic health care. We already are in a crisis situation with over 43.6 million people uninsured nationwide. In my home State of Texas, over 26 percent of our citizens, nearly 5 million people are without health care.

The House Republican budget decimates Medicaid and the State Children's Health Insurance Program SCHIP. It requires a \$2.2 billion cut in Medicaid funding, which will compromise the well being of over 500 million children, their parents, seniors, and disabled individuals. This comes at a time when States are already in fiscal crisis, resulting in nearly every State cutting their own Medicaid program by slashing eligibility, cutting benefits, raising copayments and reducing provider payments. Republicans have also tried to quietly allow \$1 billion in SCHIP funding to expire on September 30, despite the critical need to allocate that money towards its intended purpose of providing health care to needy children.

Prior Federal and State cuts to Medicaid and SCHIP have already caused irreparable harm to families in Texas. Since SCHIP cuts in Texas took place last September 1, enrollment for kids has dropped from over 507,000 children to 399,000. For those children fortunate to retain some health coverage, they have had to endure the loss of all dental, vision, and hospice benefits. How can this be considered acceptable? How can our Federal legislators stand by and recommend cuts that will compound this problem? It is a travesty that Republicans believe it is OK to harm children under the guise of fiscal discipline.

Children aren't the only citizens whose healthcare is sacrificed under the Republican budget though—our Nation's veterans are also dishonored with these cuts to their earned benefits. Every major veterans service organization, including the American Legion, Disabled American Veterans, Vietnam Veterans of America, and Paralyzed Veterans of America has decried the now chronic under funding of their health care, stating the Republican Budget is an insult to their military service, and the health problems often caused by this service. Veterans need our support now—to offer a budget that doesn't even keep pace with inflation is illogical.

We came to Congress with a commitment to represent the basic needs of American families. Now is the time to exercise fiscal discipline in a common sense way—by rejecting tax cuts for wealthy corporations in favor of sustaining and improving the health care of Americans in need. It is simply a question of priorities—a question of choices. The Democrats' budget answers this call from veterans, seniors and children. The Republican budget doesn't. I know which budget my constituents in East Texas want me to vote for. It is a clear choice—it is the right thing to do.

Mr. BLUMENAUER. Mr. Chairman, the budget process in the House of Representatives is a casualty of the increasingly extreme partisanship of the Republican leadership and their obsession with reducing taxes for those who need it the least. All the deep concern about deficit spending that formerly influenced Republican policy making is of a previous generation.

We now have the specter of the Republican budget causing another \$1.3 trillion in national debt, while at the same time spending the entire \$1 trillion Social Security surplus, and cutting critical education, environment, and veterans' programs.

The good news is that not even the Republican leadership will take their budget resolution seriously. They will not follow this blueprint.

The bad news is that Republicans in Congress will combine the worst of both worlds, grudgingly increasing the spending for some critical programs, while at the same time continuing to pursue a reckless plan of tax cuts that ignores the greatest needs of middle-class families. The Alternative Minimum Tax, under the Republican plan, will tax tens of millions of American families, penalizing them hundreds of billions of dollars. For the Republicans, it is more important to give the richest few Americans more tax cuts than rescue millions of middle class families from the Alternative Minimum Tax.

This plan means we will have to fight harder to meet the needs of our veterans and they will not be treated as generously as they would have been treated under the Democratic Budget alternative.

It is my hope that with a presidential election looming and activism from groups like the coalition of veterans who have denounced the Republican budget proposal, we can return fiscal sanity to Washington.

Mr. UDALL of Colorado. Mr. Chairman, I cannot support this resolution.

For 3 years, the administration and the Republican leadership have insisted on speeding ahead with misguided fiscal and economic policies. Ignoring all warning lights, they have taken us where we are today—with an economy in the ditch and a budget deep in deficit.

And, despite their claims to the contrary, when you look at the full picture you can see that this budget resolution offers only more of the same.

For example, while they claim that they are putting the budget on track to cut the deficit in half, that claim is based on the fact that this budget covers only 5 years instead of the usual 10 years. When we broaden the picture to cover the full decade, we see that the deficit would be increasing again, meaning that we would be adding more and more debt that would have to be repaid—with interest—by our children and grandchildren. This is not a policy that deserves our support.

We should be changing course, not persisting in error. That is why I supported the Spratt substitute, and why I also voted for the Blue Dog substitute. Neither was perfect—and in particular I thought the Blue Dog substitute would have not allowed for adequate investments in science and research or for environmental protection—but each was preferable to the Republican budget now before us.

In particular, the Democratic alternative proposed by Representative SPRATT would have fully protected Social Security while putting us

on the road to balance the budget in 2012, while running up a public-debt burden that would be a full \$34 billion less than the Republican budget in the next 5 years.

Mr. Chairman, I recognize that this resolution will pass, because our Republican colleagues have received their marching orders from the White House, and are in moving in lockstep to endorse the Bush administration's insistence that its economic and fiscal policies must continue without change. I admire their discipline, but I am convinced their judgment is faulty. I do not share their view, and I cannot follow them as they take us further into the swamp.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I oppose the Republican budget because it cuts funding for the Violence Against Women Programs.

This funding supports most of the programs created by the Violence Against Women Act of 1994. The programs impact the lives of women and children by bolstering prosecution of domestic violence, sexual assault, increasing services for victims by funding shelters and increasing resources for law enforcement personnel. The President's budget proposes to reduce these programs to \$362 million, a cut of \$22 million.

Since the Violence Against Women Act was implemented, there has been a 25 percent decrease in violence against women. This 25 percent decrease demonstrates the effectiveness of the policing and prosecutions that these programs fund.

Without full funding, thousands of women and children will not be able to access the services they need to escape from domestic violence. We need full funding for these programs to support this vulnerable section of our population.

Violence against women is a global epidemic. It is not a woman's issue and it is not a "private" issue. We need to restore the \$22 million to the Violence Against Women Programs to show the women, children and families across the country that we are committed to creating a safer and more peaceful world for them.

Mr. DEFAZIO. Mr. Chairman, it was just over a year ago that House Budget Committee Chairman JIM NUSSLE said, "I don't like deficits, I don't want deficits, and I won't pretend deficits don't matter." Yet, the budget we're considering today, which he drafted along with the House Republican leadership, would make federal budget deficits worse, not better. Relative to current law, the Republican resolution will increase the deficit by \$247 billion over the next 5 years and \$1.6 trillion over the next 10 years.

The Republicans claim their budget will cut the deficit in half by 2009. That claim is only accurate if you ignore the fact that they use every penny of the surplus Social Security revenue to mask the true size of the deficit. Two years ago Chairman NUSSLE said, "I don't know how many times we have to say it: We are not going to spend the Social Security and Medicare trust funds." Apparently, he's suffering from amnesia because the reality this year is that the Republican party is proposing to do exactly that, every single penny. If you don't count the Social Security money the Republicans are proposing to borrow, the deficit this year will be \$550 billion and will be \$471 billion in 2009, which is not exactly cutting the deficit in half.

Under the Republican plan, the debt held by the public, which excludes Social Security, will rise from \$4.4 trillion today to \$5.9 trillion by 2009. The total federal debt will rise from \$7.4 trillion today to \$10.5 trillion in 2009. The "debt tax" a family of four owes on this debt will rise from \$4,400 this year to \$7,000 by 2009. Interest payments on the debt will rise from \$154 billion today to \$296 billion by 2009, rising from approximately 7 percent of the total federal budget to 11 percent.

This debt load is clearly not sustainable. It unfairly burdens our children, grandchildren and their children with a debt they did not accumulate. And, it puts our country more and more in hock to foreign investors. The top two owners of U.S. government debt are Japan and China. I do not believe it is in the interests of our country to continue to run large budget deficits financed by China or Japan for that matter.

You might think that in the face of these deficits, the House Republican leadership would make a serious attempt to restore some semblance of sanity to the federal budget. You would be wrong. But, please don't think they are in denial about the scope of the problem. They know exactly what they're doing. The debt escalation is a conscious—though disingenuous—policy the Republican party is pursuing in order to force drastic cuts in programs they don't like, but that the American people support.

The House Republicans are willfully digging the budget hole deeper—and are putting the financial stability of our country at risk—by providing \$153 billion in tax cuts through 2009, including maintaining the repeal of the estate tax and reductions in capital gains and dividend taxes, which overwhelmingly benefit the wealthiest Americans, those who make more than \$300,000 a year. Over 10 years, the cost of the tax cuts in the Republican budget will cost \$1.2 trillion.

Now, my colleagues on other side of the aisle will protest that it is spending, not tax cuts, that have driven the sudden appearance of record budget deficits. While their rigid ideology may cause them to believe that, it happens not to be true. Republicans have repeatedly refused to acknowledge the obvious role tax cuts have played in the \$9 trillion reversal in the 10-year budget projections since Bush took office.

According to the non-partisan Congressional Budget Office, tax cuts are responsible for 36 percent of the deterioration in the surplus, spending increases are responsible for 28 percent, technical changes—primarily lower revenue assumptions—are responsible for 27 percent, and the recession is responsible for 9 percent.

Looking more in-depth at the aforementioned spending increases, the vast majority of the spending increases were in the areas of defense and homeland security, and were requested by President Bush. From 2001 to 2003, an average of 70 percent of the spending increases went to defense, 14 percent went to homeland security, and 11 percent went to NYC, aviation, and international aid.

When Republicans talk about reducing "government spending," they are generally referring to non-defense discretionary spending. While Republicans act as if non-defense discretionary spending only includes wasteful welfare programs, the reality is that it includes law enforcement programs, education, vet-

erans, environmental protection, health care, Army Corps, energy, etc. Congress could eliminate the entire non-defense, non-homeland security portion of the federal budget—\$391 billion—and the budget would still be in deficit by several hundred billion dollars.

I agree there are federal programs that deserve to be eliminated or reduced. I support reducing the space program, agriculture subsidies, weapon systems that are irrelevant to meeting today's threats, and foreign aid, among other areas.

However, spending restraint alone cannot solve the deficit problem. Getting the federal budget under control will require discipline on both spending and taxation. That is why the budgets I am supporting today contain both spending and restraint and reductions in tax relief to the wealthiest one percent of income earners and multinational corporations.

I am also a cosponsor of stand-alone legislation, H.R. 3995, the Aspiring Fiscal Honesty and Accountability Act of 2004, to impose some discipline on the federal budget process. This legislation would cap discretionary spending for the next 3 years at the same level requested by President Bush. The bill would also reinstate the so-called "pay-as-you-go" rules that helped bring the budget into balance in the late 1990s. These rules require that any legislative changes that would increase the deficit—whether spending increases or tax cuts—must be offset by cuts or revenue increases somewhere else in the budget. H.R. 3995 would also reform the "emergency" spending loophole that allows Congress to spend billions of dollars a year outside the normal budget process.

Finally, I disagree with the spending priorities in the Republican budget. For example, the Republican budget provides \$8.8 billion less for education programs than the \$34.3 billion authorized by the No Child Left Behind Act for 2005. That means local school districts will continue to struggle with the unfunded mandates of the President's key education initiative.

And, inexplicably, the House Republican budget follows the President's lead by cutting programs to assist America's small businesses. There are 23 million small businesses in the United States, representing 99 percent of all employers. They generate three-fourths of all new jobs. They create more than half of our GDP. Small technology companies are the trailblazers, producing 13–14 times more patents per employees than large firms. Small companies employ 40 percent of high-tech workers. Funding for the Small Business Administration has decreased every year since President Bush took office. If the Republicans have their way, the microloan and New Market Venture Capital programs will be eliminated, funding for Women's Business Centers, technical assistance, and technology programs will be cut, and the SBA's largest loan program, the 7(a) programs, will be slashed and fees will be increased. These policies are harmful at any time, but they are particularly detrimental to our Nation's small businesses during a time of economic instability.

The Republican budget provides \$1.3 billion less for veterans programs in 2005 than what the House Committee on Veterans Affairs recommended on a bipartisan basis. It provides \$2 billion less for veterans programs than what veterans themselves requested in their Independent Budget proposal.

That is why veterans organizations, including Veterans of Foreign Wars, Disabled American Veterans, AMVETS, and the Paralyzed Veterans of America have called the Republican budget "half-hearted" and "ill-advised". They urged a vote against it and said the Republican budget "would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism."

I am also concerned that the Republican budget cuts homeland security funding by \$857 million below even the level requested by President Bush, which includes cuts to port security grants and cuts to grants for our Nation's first responders like police and firefighters.

Because the Republican budget borrows so much money, runs up record budget deficits, and still fails to adequately fund priority programs that Oregonians depend on, I will vote against the Republican budget.

Mr. FORBES. Mr. Chairman, I rise reluctantly to support the budget resolution before us today. While the budget before us makes great strides to control spending and reduce the deficit, I am afraid the Veterans Administration will not have the necessary resources to take care of our nation's veterans. I know that many of my Virginia congressional colleagues share these same concerns as well.

While I fully recognize that no budget is perfect, I hope we can all agree that providing health care to our nation's veterans should be the last place we look to reduce spending. Perhaps it would be more appropriate for us to review our spending on foreign aid before we ask our veterans to sacrifice yet again for their country. At a time when our country has soldiers deployed in Iraq in defense of freedom, it is important that we do not leave behind the men and women who have served our country in the past.

To this end, I want to express my support of an amendment to the Fiscal Year 2005 Budget Resolution, offered by my colleague from Virginia, VIRGIL GOODE. Unfortunately, this amendment will not be offered on the floor today for a vote, but it does, however, deserve our attention. Mr. GOODE's amendment calls for an \$8 billion cut from foreign aid spending, using that money instead to further assist our Nation's veterans and decrease the size of our federal deficit.

This important measure would redirect funds used across seas and place it back in the hands of the American people. By paying down our Federal deficit we are investing in the future of America and by providing healthcare for our veterans we are repaying them for the personal investments they have made on our behalf. Mr. Speaker, the time has come when America must pay its debts, and that time is now.

I will vote for this budget, however, because I believe it is vital that we keep the budget process moving. Further delaying the budget could negatively impact defense, homeland security, and other important government functions, as well as cause spending for our veterans to revert to previous levels. As we have seen in the past, failing to pass a budget resolution causes a train wreck in the appropriations process. With America still fighting the war on terror, we cannot allow that to happen again.

It is my hope that the final product will be improved dramatically, so that I will be able to

support the final budget conference report. I will have great reservations in supporting this budget again should it be returned to the House in its current form.

Mr. RYUN of Kansas. Mr. Chairman, the U.S. economy has shown truly amazing resilience after the many challenges of the last few years, including: a terrorist attack, war, corporate scandals and recession. In spite of these factors: real GDP growth was 8.2 percent in the 3rd quarter of 2003, the highest pace in two decades, housing starts are at the highest level in 20 years, mortgage rates are the lowest in over 30 years, and payroll employment has increased by 364,000 jobs in the past 6 months.

This is good news for every American family. Economic growth is the key to prosperity for everyone. And the Republican budget is the plan that will ensure that these growth trends continue.

One way this budget encourages sustained economic growth is by not raising taxes. Under the budget drafted by Chairman NUSSLE, there will be no reduction in the child tax credit, no increase in the marriage penalty, and no lowering of the income limit for the 10 percent tax bracket. Raising taxes, as the Democrats have proposed, would be a severe blow to the recovering economy and to young families.

The Democrats believe that taxes should be raised to pay for more government spending. During the Budget Committee markup the Democrats proposed to increase spending by \$28.6 billion next year, paid for by raising taxes by \$28.9 billion next year.

I ask my colleagues, why do we need more spending and higher taxes? Spending by the Federal Government has reached over \$20,000 per household. I find that total staggering. I dare say that most families could do great good for their children with a fraction of that amount back in the family budget.

Some people have blamed the deficit on the tax cuts. In reality, the downturn in the economy is the largest factor in erasing the surplus. And we must keep in mind that the projected surpluses as far as the eye could see were just on paper, they were never guaranteed. The good news is that the economy is recovering faster than expected, and that growth will be a significant factor in reducing future deficits. The key is for Congress to stay out of the way of economic growth.

The runaway spending that followed the rosy surplus projections is the second largest contributing factor that has pushed us into deficit spending. Since 1997, spending has increased 3.6 percent faster than inflation and as revenue began dropping in 2000, spending continued to climb. Spending in time of war or national emergency is warranted, but now spending restraint is necessary or we will never return to a balanced budget.

The Republican budget plan puts us on track to cut the deficit in half in 4 years. We must be faithful to a plan of fiscal responsibility or our children and grandchildren will inherit a debt they can't afford to pay.

This budget blueprint holds the line on spending to keep the government from dragging down the economy. This does not mean that every program will be treated the same by the Appropriations Committee. It does mean that priorities will have to be set and hard choices will have to be made.

Some worthy programs will receive a funding increase and other less effective or

unproven programs may receive a cut. These decisions are up to the Appropriations Committee. The Budget Committee is simply setting the aggregate spending numbers. The nondefense, nonhomeland security discretionary number is frozen at last years funding level. This is a responsible decision when spending is driving us toward a deficit that could be nearly impossible to overcome.

I believe the numbers in our budget will have the government operating as a wise steward of taxpayer dollars. Our constituents are demanding accountability for these dollars and this budget plan delivers.

I urge your support for this budget.

Mr. KUCINICH. Mr. Chairman, today, I rise to oppose the budget under consideration today. Some believe they must accept the President's request for higher defense spending. Too many Members of Congress believe that a vote against higher defense budgets is tantamount to being "weak on defense." But what they ignore is the fact that the President's defense number is weak on defense contractors. It gives nearly everything the contractors could want, and as I will show in a minute, it fails to make Americans safer.

How does the V-22 tilt rotor—which has killed 30 Marines in a crash rate of 18 percent—make Americans any safer? Of course it doesn't. But spending \$1.75 billion to procure it makes the contractor richer.

How does the so-called National Missile Defense—which has not been shown to work, according to the DOD's own director of testing—make America any safer? It doesn't. But it does make the contractor richer.

How does the F-22 airplane, which suffers from exorbitant cost overruns and offers little improvement over today's more than capable F-15, make America any safer? Again, it doesn't. But at a cost of \$4.7 billion in this year's budget, the contractors will see great profits.

Rather than buying a false idea of security by handing billions to defense contractors for hardware that doesn't work, can't work, or won't work to defend against the threats of today, let's buy the defense we do need and invest the rest in economy security.

America needs jobs. The Nation has lost 2.2 million total jobs since President Bush took office. Experts had expected an increase of 125,000 new jobs in February, but in reality companies added just 21,000 new jobs last month. Manufacturing lost 3,000 jobs in February, a 43-month continuous slide. Since July 2000, the manufacturing sector has shed 2.8 million of its jobs. And the construction industry is suffering under a 9.3-percent unemployment rate.

There were 8.2 million unemployed workers in February. Yet this number is low; 1.7 million additional workers were not counted in the unemployment figures, as they hadn't looked for a job in the prior 4 weeks.

Mr. Chairman, my colleagues face a quandary today. Many of them are going to vote for large deficits and reduced domestic spending in order to fund a \$26.5 billion increase in defense spending. To do that means Congress will not spend enough money to create jobs. And jobs are the bottom line for Americans.

There is a better approach for a safer and stronger America. First we will reduce defense spending to last year's request, although much more could be cut. That still leaves a defense budget increase of 26 percent since 2001, not

accounting for the extra funds for Afghanistan or Iraq, some \$186 billion. The \$26.5 billion can then be shifted to the Transportation Equity Act—a Legacy for Users (TEA-LU) to create jobs. Over 6 years, this increases the TEA-LU authorization, set by the committee at \$275 billion, to \$434 billion, a full \$59 billion above the initial goal of the chairman and ranking member of the Transportation Committee. More importantly, the large infusion of cash into our nation's transportation infrastructure means hundreds of thousands of jobs and a dependable infrastructure system allowing the economy to continue to grow.

Sensible cuts in defense spending can fund more jobs for Americans who desperately need them. Our country's economic strength, our ability to create jobs and improve business productivity, and our desire to create a safe, efficient transportation system are all dependent upon increasing investment in our Nation's infrastructure. The Department of Transportation's own studies show that every \$1 billion of Federal funds invested in highway infrastructure creates 47,500 jobs and \$6.2 billion in economic activity. Authorizing \$434 billion over 6 years for our transportation infrastructure will yield tremendous job growth and other economic benefits. In short, defense cuts can create more jobs for Americans.

Mr. HOLT. Mr. Chairman, I rise to oppose the FY2005 Concurrent Budget Resolution that was reported by the House Budget Committee and that we have before this House for final passage. I do so for a variety of reasons that I want to explain.

I am heartened by our country's recent up tick in the index of leading economic indicators. Yet, we are also chastened because we all count among our families, friends, and neighbors, dislocated workers who have fallen victim to corporate down-sizing and dismayed recent college graduates and long-term unemployed Americans who are looking for their first or next jobs. All are seeking to grasp a rung up the ladder of economic opportunity, and this budget will not help them.

This misguided budget resolution frames critical policy choices for our national economy that will shape our lives and the lives of all of our constituents at the regional, State, community, and personal levels for many years to come.

One policy option, that is embodied in this flawed budget resolution, is to keep borrowing against our future and that of our children, and perhaps their children, to keep our economic ship afloat. This is how we have added more to the national debt in the past three years than in the prior two centuries of our Nation's history. A vote in favor of this budget resolution is a vote for more "borrow and spend" policies that are responsible for our country's current fiscal nightmare.

Adding insult to fiscal injury, this budget resolution also clears the way for more tax cuts for those who need them the least, given the predisposition of the Bush Administration, and who have benefited disproportionately from the Bush tax cuts enacted by this Republican-controlled Congress so far. Where is the tidal wave of re-investment in new plants, equipment, and jobs and factories in America that the proponents of this budget have promised us repeatedly in the past three years? At their behest, the American people are required to put our collective faith in the belief that the ladder of economic opportunity will not be

pulled up behind the most affluent. If we continue down this ill-advised, self-indulgent path, we run the risk of drowning in a sea of red ink and our children and grandchildren can look forward to lives of indebtedness and growing inequality.

This Congress could make a better choice. In so doing, we could build upon what has worked in the past when our economy was growing by leaps and bounds and creating millions of new jobs, as recently as the 1990s. We could abandon the fraud of supply-side economics, once and for all, step up, and reassert control over shaping our preferred economic future—one that offers more good jobs, a higher standard of living, and real economic opportunity for all of the American people. Sadly, this budget resolution takes us farther down the wrong track.

Over several generations, American economic wealth and power has been built largely on the foundation of unparalleled imagination, research, innovation, productivity, and hard work. Investment and commercial opportunity in our economic system have always followed new discoveries and laboratory breakthroughs, not the other way around. Before prudent investors have risked their capital in new commercial ventures, our scientists, inventors, and pioneer thinkers have been supported in their efforts and rewarded for their successes in achieving what had previously been unthinkable.

If we want to strengthen our economy again, in the future, if we want to create new, good-paying jobs for all of our people, and promote broad-based, sustainable economic development, then I believe we must become more creative and provide more support from the public and private sector for cutting-edge research and development. We have to stop borrowing and spending. We have to stop eating our seed corn. We have to provide increased and more sustained support from the public and private sectors for basic research and development.

Up to now, America has always been a nation of explorers, creators, and inventors. We need to regain that edge and ride a new wave of research and follow-on commercial development into a new age of economic growth and prosperity. But this budget resolution does none of this. The supporters of this budget don't want to keep faith and invest in the American people, increase Federal support for research, development, and entrepreneurial drive, and rebuild American competitiveness in the global economy. If they did, they could not in good conscience vote for the skewed priorities of this budget resolution and the draconian, counterproductive cuts it will dictate.

Let me cite a few of the most glaring examples:

On Federal support for research and development, the Federal research and development portfolio would mostly decline compared to last year's funding, consistent with the 0.5 percent increase for nondefense, nonhomeland security discretionary spending overall. Even the two favored nondefense research and development agencies in recent years are being forced to accept diminished expectations: The National Institutes of Health (NIH) and the National Science Foundation (NSF).

On education, this budget again shortchanges our students, teachers, and schools. It will provide \$8.8 billion less than authorized and promised when the Congress enacted the

No Child Left Behind Act at the urging of President Bush. It fails to provide any increase in the maximum Pell grant award at a time of soaring tuition costs in higher education. It also falls way short in funding of the Individuals with Disabilities Education Act (IDEA), providing only half of the 40 percent Federal funding ceiling.

For America's veterans, this budget is another slap in the face and betrayal of what they have earned and been promised. This budget provides \$1.3 billion less than what the House Veterans' Affairs Committee has recommended—on a bipartisan basis—to maintain vital veterans health care programs. Over the next five years, this budget cuts \$1.6 billion from the total needed just to maintain current service levels. In practical terms, this shortfall will imperil health care for at least 170,000 veterans. Alternatively, it will result in 13,000 fewer doctors, nurses, and other caregivers needed to treat veterans. No wonder the Disabled Veterans, Veterans of Foreign Wars, Paralyzed Veterans of America, and AMVETS are all strongly opposed to this budget.

On the environment, this budget promises more tax cuts, while cutting funding for clean air, safe drinking water, and the cleanup of toxic waste sites. It actually calls for cutting \$1.5 billion (5.1 percent) from last year's funding level. That means clean water and drinking water needs, like the elevated lead levels in DC's water supply, will go unmet. Groundwater contamination from leaking MTBE and petroleum will continue. Promised conservation funding will not be provided and American taxpayers will foot the bill for egregious corporate polluters.

On homeland security, this budget provides \$648 million (14.6 percent) less than last year for first responders, with firefighter assistance grants in particular being cut by \$246 million (33 percent) below last year. It also cuts funding for port security by \$79 million (63.2 percent) below last year's funding level. At a time when our Nation continues to face new threats to homeland security, it cuts \$857 million from the President's request, applying cuts to all homeland security activities outside of the Pentagon.

On health care, this budget requires \$2.2 billion in Medicaid cuts at precisely the time when nearly every State has already been forced to cut their Medicaid programs. It forfeits \$1.1 billion for State Children's Health Insurance Program (SCHIP), which means 4,000,000 children will lose coverage over the next four years. NIH will be cut by \$553 million below last year's funding level, when adjusted for inflation and over the next five years, public health programs face an \$11.4 billion shortfall. With over 887,000 people in the U.S. living with HIV/AIDS, this budget cuts \$28 million. Cardiovascular disease research will be cut by \$22 million, even though heart disease is the leading cause of death in America.

For American workers, this budget gives them the back of the hand. It fails to extend unemployment benefits and drastically shortchanges child care funding, when work requirements for welfare recipients are being toughened. It calls for \$3.1 billion in cuts for safety net programs such as Temporary Assistance for Needy Families, the earned income tax credit, child nutrition programs, and public employee retirement benefits.

For our small business constituents and entrepreneurs, this budget is badly deficient.

While funding for the Small Business Administration is not broken out as a separate function in this budget resolution, the Bush Administration has already made clear its intention to slash SBA funding in FY 2005 and beyond. President Bush's FY 2005 budget calls for cutting at least \$79 million for the SBA from last year's funding. That would leave total funding for the SBA at nearly half of what was proposed in Former President Clinton's final budget request. It would also remove all Federal subsidies to the 7(a) loan program, the SBA's flagship program, and instead place higher fees on small businesses. The microloan program is targeted for elimination altogether.

I could go on and on with examples of why this budget ought to be rejected. Suffice it to say that it is more of the same policy prescriptions that have caused an \$8.5 trillion fiscal slide and the loss of nearly 3 million jobs in the last three years.

We can and should do better. I want to support a budget that reflects fiscal responsibility and that will help all Americans achieve financial security. That means investing more in the American people and in programs to help create good-paying jobs, improve education, lower health care costs, make college affordable, helps small business grow, keeps faith with our veterans and military retirees, protects our homeland, and promote environmental sustainability. This budget resolution fails on all counts.

Mr. MATSUI. Mr. Chairman, the Republican budget being debated today shortchanges California and shortchanges America. It is fiscally irresponsible, fails to address the tremendous challenges facing America today, and fails to invest in America's future.

Rather than ensuring a stable source of income for seniors and the disabled, the Republican budget raids the Social Security trust fund. Rather than investing in health care, education and job creation, Republicans have chosen to spend trillions of dollars on tax cuts. As a result of the Republicans' misguided priorities and fiscal irresponsibility, America is facing record deficits, with no end in sight. These deficits threaten to lead to increased interest rates, uncertainty in financial markets and slower economic growth.

The Republican budget fails to help those Californians who need it most. Republicans refuse to provide funds for the extension of unemployment benefits, despite the fact that an estimated 300,000 Californians will have exhausted their benefits by the end of June. Likewise, the Republican budget cuts funding for important child and family services like Temporary Assistance for Needy Families, the Earned Income Tax Credit, affordable housing and Medicaid.

I am also concerned because I believe our troops and veterans have earned our honor and support. Yet despite their brave service to our country, the Republican budget denies promised benefits to our military personnel and their families here at home—by cutting funding for veterans' programs.

On the other hand, Democrats have a budget that reflects the priorities of the people of California, and of all Americans. It extends unemployment benefits for workers looking for jobs; invests in programs that create good jobs; ensures retirement security; provides for affordable and accessible health care; funds education, including the "No Child Left Behind

Act"; and supports our troops and veterans. It is a fiscally sound plan that brings the budget back into balance within eight years. Moreover, to ensure fiscal discipline in the future, it requires that future tax cuts and mandatory spending initiatives be paid for without adding to the deficit.

For those reasons, I will vote for the Democratic alternative. Where the Republicans budget fails, the Democratic budget provides sound economic and fiscal policies that reflect the priorities of people in California and across the country.

Mr. PAUL. Mr. Chairman, I once again find myself compelled to vote against the annual budget resolution, H. Con. Res. 393, for a very simple reason: it makes government bigger. Like many of my Republican colleagues who curiously voted for today's enormous budget, I campaign on a simple promise that I will work to make government smaller. This means I cannot vote for any budget that increases spending over previous years. In fact, I would have a hard time voting for any budget that did not slash Federal spending by at least 25 percent, a feat that becomes less unthinkable when we remember that the Federal budget in 1990 was less than half what it is today. Did anyone really think the Federal Government was uncomfortably small just 14 years ago? Hardly. It once took more than 100 years for the Federal budget to double, now it takes less than a decade. We need to end the phony rhetoric about "priorities" and recognize Federal spending as the runaway freight train that it is. A Federal Government that spends \$2.4 trillion in 1 year and consumes roughly one-third of the nation's GDP is far too large.

Neither political party wants to address the fundamental yet unspoken issue lurking beneath any budget debate: What is the proper role for government in our society? Are these ever-growing social services and defense expenditures really proper in a free country? We need to understand that the more government spends, the more freedom is lost. Instead of simply debating spending levels, we ought to be debating whether the departments, agencies, and programs funded by the budget should exist at all. My Republican colleagues especially ought to know this. Unfortunately, however, the GOP has decided to abandon principle and pander to the entitlements crowd. But this approach will backfire, because Democrats will always offer to spend even more than Republicans. When Republicans offer to spend \$500 billion on Medicare, Democrats will offer \$600 billion. Why not? It's all funny money anyway, and it helps them get re-elected.

I object strenuously to the term "baseline budget." In Washington, this means that the previous year's spending levels represent only a baseline starting point. Both parties accept that each new budget will spend more than the last, the only issue being how much more. If Republicans offer a budget that grows Federal spending by 3 percent, while Democrats seek 6 percent growth, Republicans trumpet that they are the party of smaller government. But expanding the government slower than some would like is not the same as reducing it.

Furthermore, today's budget debate further entrenches the phony concept of discretionary versus nondiscretionary spending. An increasing percentage of the annual Federal budget is categorized as "nondiscretionary" entitle-

ment spending, meaning Congress ostensibly has no choice whether to fund certain programs. In fact, roughly two-thirds of the fiscal year 2005 budget is consumed by nondiscretionary spending. When Congress has no say over how two-thirds of the Federal budget is spent, the American people effectively have no say either. Why in the world should the American people be forced to spend 1.5 trillion dollars funding programs that cannot even be reviewed at budget time? The very concept of nondiscretionary spending is a big-government statist's dream, because it assumes that we as a society simply have accepted that most of the Federal leviathan must be funded as a matter of course. No program or agency should be considered sacred, and no funding should be considered inevitable.

The assertion that this budget will reduce taxes is nonsense. Budget bills do not change the tax laws one bit. Congress can pass this budget today and raise taxes tomorrow—budget and tax bills are completely separate and originate from different committees. The budget may make revenue projections based on tax cuts, but the truth is that Congress has no idea what Federal revenues will be in any future year. Similarly, the deficit reduction supposedly contained in the budget is illusory. The Federal government always spends more in future years than originally projected, and always runs single-year deficits when on factors in raids on funds supposedly earmarked for Social Security. The notion that today's budget will impose fiscal restraint on Congress in the future is laughable—Congress will vote for new budgets every year without the slightest regard for what we do today.

Mr. Chairman, my colleagues have discussed the details of this budget ad nauseam. The increases in domestic, foreign, and military spending would not be needed if Congress stopped trying to build an empire abroad and a nanny state at home. Our interventionist foreign policy and growing entitlement society will bankrupt this Nation if we do not change the way we think about the proper role of the Federal government.

Mr. LYNCH. Mr. Chairman, one day history will judge us and our stewardship of this country. Our children and grandchildren will ask whether we led this country soundly, meeting our challenges forthrightly and honestly, taking care of the most vulnerable among us, and preparing the ground for future generations, so that they may know peace and prosperity.

Mr. Chairman, I am afraid that instead of judging us as one of the Greatest Generations, we will be known simply as the Greedy Generation.

Once again the Majority has put forth a budget that would place a greater and greater burden of debt onto the next generation, so that we might take our tax cuts now. It's a budget that short-changes the promises we have made to our children's education, to our veterans' health, and to the safety and security of our communities, so that we may take our tax cuts now. During this time when we face some of the greatest challenges this country has ever known—the challenges of two and a half million jobs lost, of 43 million Americans without health insurance, of terrorists who still plot to do us harm—this Congress can apparently muster no more inspiring response than, "give us our tax cuts now."

Mr. Chairman, it's not hard to identify the many problems with this budget. Instead of

ensuring that all our children have equal access to education and opportunity, this budget under-funds the No Child Left Behind Act by \$8.8 billion. Instead of securing our nation's harbors and waterways, this budget proposes a 63 percent cut in port security grant funding. Under this budget, more than 250,000 families could lose affordable housing. Veterans will face millions of dollars in new enrollment and access fees for health care. The list goes on and on.

Mr. Chairman, I urge my colleagues to think about how we will be judged in the eyes of history. I urge my colleagues to reject this irresponsible budget resolution and let us work together, from both sides of the aisle, to head this country in a direction that makes us stronger, safer, and more prosperous.

Ms. MCCARTHY of Missouri. Mr. Chairman, today I rise in strong support of the Democratic Leadership Substitute and in opposition to the Republican Budget, H. Con. Res. 393, which fails to meet the fiscal and societal challenges Americans face today. While the Republican budget focuses on a tax cut for only a few, slashes important funding for health care, veterans, education and environmental programs, and does little to revive the economy, the Democratic plan is a fiscally responsible solution to balance the budget, reign in the deficit, fund priorities, and promote job creation and economic growth.

The Democratic Leadership Substitute achieves a balanced federal budget within eight years and invests in meaningful job creation, education, veterans benefits, environmental protection, infrastructure and economic development.

Since 2001, the economy has lost more than 3 million private sector jobs. In the Kansas City Metropolitan Area in the past three years, 21,300 jobs have been lost. The Republican proposal we are considering today continues the Administration's same failed economic policies, which the Congressional Budget Office (CBO) has concluded will have, at best, a small impact on the economy over the next five years. Alternatively, the Democratic substitute promotes job creation by restoring funding to small business loan programs, job training and the Manufacturing Extension Partnership Program. Additionally, it extends temporary federal unemployment benefits for workers looking for jobs and extended tax cuts, such as the child tax credit and marriage penalty relief.

The Republican budget does not adequately fund our nation's top priority: homeland security. Of particular concern is its failure to fully fund our first responders including police, firefighters, and emergency medical service technicians. Federal funds for first responders is a top concern in my district and across the country, and the Democratic substitute ensures these needs by providing \$5 billion in additional funding over the next five years. As a member of the Select Committee on Homeland Security, I support adequate funding for state and local governments to prevent and prepare for any type of terrorist threat.

The Democratic budget also restores funding to important veterans programs that the Republican resolution cuts. It provides the full funding level, \$32.3 billion, requested for 2005 by the Committee on Veterans Affairs. Additionally, it includes \$6.6 billion more than the Republican budget over the next five years for critical health needs.

The Republican budget resolution shortchanges authorized education programs by approximately \$9 billion just as many costly federal mandates, such as annual testing and highly qualified teacher requirements, will take effect. It is unacceptable to impose federal mandates on the states without the funding necessary to fulfill them. As a formal teacher, I understand how important education is to the future of our children. The Republican budget also proposes the smallest overall increase for education programs in nine years. Additionally, it falls further behind on fully funding special education by proposing only a 0.5 percent increase in funding. Finally, it freezes Pell Grant funding, making college unaffordable for millions of low income students. Alternatively, the Democratic substitute provides \$9.8 billion more for education and training programs over the next five years. It also restores \$3.7 billion for Pell grants and additional funding to make college loans more affordable.

The federal budget resolution must fulfill the priorities of the American people. It must be fiscally responsible in ensuring our security, providing adequate funding for domestic programs, putting Americans back to work and balancing the budget. With passage of the Democratic Leadership Substitute, we can work together to put the priorities of the American people first.

Mr. Chairman, the Republican budget resolution fails to meet the fiscal challenges Americans face today and slashes programs that are their lifeline. I urge my colleagues to support the Democratic substitute as a more realistic budgetary solution that funds programs essential to those who seek the American dream.

Mr. STUPAK. Mr. Chairman, Michigan has one of the highest unemployment figures in the country, and that figure continues to rise. Michigan's unemployment rate is 7.6 percent, the Upper Peninsula's jobless rate is 8.6 percent, and Northeast Lower Michigan's jobless rate is 12.4 percent.

But the Republican budget does nothing to create jobs here at home or end incentives for companies to ship jobs overseas. It cuts small business investment and fails to extend unemployment insurance for millions of jobless Americans, including 335,868 unemployed residents of Michigan. And it includes new tax cuts—while our nation's checkbook sinks deeper in the red—with a \$531 billion deficit.

I offered proposals that were rejected along partisan lines by the Rules Committee that would have put fiscal sanity into our budgeting process. My amendment said, no new tax cuts unless we have a surplus that can pay for it and no tax breaks for companies that ship jobs overseas.

Yes, we have to make hard choices given the record deficits we have today. However, I cannot choose tax cuts over the priorities of the working families and seniors of Michigan. At town hall meetings and in letters, my constituents tell me: protect our jobs and manufacturers, protect our Social Security and Medicare, fund education, provide affordable health care and make our communities safer. This budget shortchanges all of those priorities. Here are just two examples:

Michigan's Medicaid rolls have increased by almost 30 percent in the past four years. But this budget cuts Medicaid by \$2.2 billion, while including a \$46 billion dollar give-away to HMO's.

In Michigan, 128,900 manufacturing jobs have been lost since the beginning of 2001. The Manufacturing Extension Partnership (MEP) program has been highly successful in helping small Michigan manufacturers to modernize and stay competitive in the global marketplace. MEP has directly helped companies in my district including Horner Flooring of Dollar Bay and Jacquart Fabric Products in Ironwood, Michigan.

Rather than support the Republican blueprint, which makes an expanding deficit worse and under-funds veterans programs, health care, education, and first-responder programs, I support the Democratic and Blue Dog Democrat alternatives. Both combine fiscal responsibility with help for our working families. Unlike the Republican budget, the Democratic and Blue Dog alternatives would get us back on track to a balanced budget and include a "pay as you go" budget enforcement mechanism. Both plans repeal the marriage penalty and provide for a child tax credit that working families depend on during these uncertain economic times. And both make key investments in our job training, small business, health care, education, and veterans.

It is clear to me that these alternatives better reflect the values of Americans and the residents of the First District of Michigan, will create more jobs, and will restore fiscal discipline to Washington that I know the people of Michigan want and expect.

Mrs. SUSAN DAVIS of California. Mr. Chairman, I request unanimous consent to revise and extend my remarks.

Mr. Chairman, I am here today because I am deeply concerned about the devastating impact House Concurrent Resolution 393 could have on my community of San Diego.

As many of you know, my home state of California is in the midst of its own budget crisis.

To cope with our oversized deficit, the Governor and State Legislature have had to make significant cuts to many of our most vital programs and services.

And as our State struggles to rebuild its economy, I am concerned that we are not taking the right steps here, in Congress, to provide States like California with the resources they need to maintain even the most basic day-to-day functions that our citizens have come to depend upon.

And when I look at the cuts this budget resolution makes to education, housing, the environment, veterans health care, homeland security, local law enforcement, and Social Security—I am concerned that this legislation fails to reflect the needs and priorities of San Diego's families and businesses.

To illustrate this point, I would like to talk about a few key areas that have been left behind by this resolution.

For example, this budget resolution deeply undercuts funding for homeland security, State and local law enforcement, and the community-based COPS Program.

People often forget just how much we rely on our local law enforcement personnel to defend our homeland security.

Short-changing police at the State and local level ultimately weakens our ability to defend our cities, ports, and borders.

With the terrorist bombing in Madrid just a few weeks ago, we are reminded of the need to expand our policing efforts to protect vulnerable targets like mass transportation.

Yet there are simply not enough law enforcement personnel in my district to patrol this critical infrastructure, and without adequate funding, it will remain that way.

San Diego is home to a busy international airport, a major port, Navy installations, Marine bases, and is adjacent to the busiest border crossing in the country.

We cannot afford these massive cuts in State and local law enforcement and homeland security.

Like so many other localities, our dedicated policemen and women want to help. But their hands are tied.

Mr. Chairman, the other issue I want to talk about today is just how destructive cuts to the section 8 program could be for San Diego.

My family and I have lived in San Diego for more than 30 years, and I will be the first to tell you how wonderful it is to call such a beautiful community home.

Unfortunately, with an average median home cost of more than \$468,000, it has become unbearably difficult for many hopeful homebuyers to live in our great city.

And it is not just home prices that are increasingly out of range for the average citizen.

The average apartment rent in San Diego is over \$1 thousand, and families need to earn more than \$22 per hour to afford to rent a two-bedroom apartment.

Our waiting list for section 8 vouchers averages about 25 thousand individuals, many of whom have been on the list for 6 or 7 years before finally receiving a voucher.

I hear all too often stories of individuals or families struggling to make ends meet, yet are still unable to afford San Diego's housing or even rental costs.

I know of a retired minister in his seventies with a serious heart condition, who is constantly faced with the choice of filling his heart medication prescription or paying his rent.

There are residents in my district, who have been displaced and—unable to afford rent anywhere else—have been forced to live in motels or even in their own cars.

A San Diego paramedic with a wife and small children struggled to get by until they finally qualified to live in an affordable housing development funded by our local Housing Commission.

But just imagine—this man was saving lives in our own community and yet he was unable to afford to live there!

Mr. Chairman, it is just not right for our first responders and police officers to be priced out of the very community they put their lives on the line to protect each day.

Section 8 is a vital, successful program, and my community simply cannot afford to withstand the cuts proposed in this measure.

We should be doing more—not less—to help hard-working Americans find safe, affordable places to live, and I ask my colleagues to consider the critical shortfalls included in this budget when we vote on this resolution.

Mr. RUSH. Mr. Chairman, as a member of both the Congressional Black Caucus and the Energy and Commerce Committee, I rise in opposition to H. Con. Res. 393, the first concurrent resolution on the budget, which will set this House's spending and revenue priorities for the next fiscal year.

Mr. Chairman, I am opposing this resolution not only because it freezes the rate of growth in the domestic programs that are so important to my constituents—programs that fund

education, health care, community development and affordable housing, but also, because does so while making additional future tax cuts permanent and because it devastates the Medicaid program by reducing it by \$2.2 billion over the next 5 years.

Mr. Chairman, unlike the Republican leadership's budget resolution, both the Congressional Black Caucus substitute and the Democratic budget alternative promote necessary domestic investments in homeland security, education, job training, and workforce development. The Congressional Black Caucus substitute invests in education and the workforce by fully funding the No Child Left Behind Act and by extending unemployment benefits for those who have exhausted their regular jobless benefits.

Furthermore, neither the Democratic budget alternative nor the Congressional Black Caucus substitute reduce the Medicaid program.

Mr. Chairman, the Medicaid recipients and their families in my Congressional district want assurances from the leadership in this House that the critical needs that the most vulnerable in my State of Illinois will continue to be met.

Mr. Chairman, I urge my colleagues to join me in supporting the Congressional Black Caucus budget substitute and the Democratic budget alternative so that this Congress can work toward a sane and balanced budget policy which meets the critical needs of the citizens of this Nation.

Mr. EHLERS. Mr. Chairman, I know that the Budget Committee weighed several pressing national priorities as it prepared the FY 2005 Budget Resolution, including the continuing war on terrorism, facilitating economic stimulus, and maintaining fiscal responsibility.

I support the Budget Committee's determination to curb overall spending in this year's budget resolution. While I recognize that the Department of Defense (DOD) and the Department of Homeland Security (DHS) have critical funding needs, I am disappointed that Function 250, which includes basic scientific research and development, did not receive the same level of support. Function 250 was flat funded at \$22.8 billion. This clearly does not provide necessary increases in critical basic science programs such as the National Science Foundation (NSF) and the Department of Energy's Office of Science.

I am a strong advocate of these programs, and those at the National Institute of Standards and Technology (NIST) and the National Aeronautics and Space Administration (NASA), because scientific research and development underpins our economic and national security. Scientific research and development forms the foundation of defense and weapons development, increased innovation, and economic vitality. Scientific research is an investment that promises, and has historically delivered, significant returns on that investment.

Basic research is essential to advances in medicine, military applications and continued economic prosperity, including the development of cancer therapies, GPS- or laser-guided missiles, and the Internet.

NSF is also the primary source of Federal funding for nonmedical basic research at colleges and universities. It underwrites the education of the next generation of scientists, engineers, and technical workers.

As a nation, we cannot afford to starve basic science research and education. Contin-

ued underfunding of scientific research and education will erode America's technical and scientific preeminence, diminish our ability to compete economically, and undermine our children's economic prosperity and national security.

While I am disappointed that the FY 2005 Budget Resolution does not increase basic research funding in function 250, I, along with many colleagues who also support science funding, will fight for these programs during the appropriations process. Even in a tight budget year, we must remember that we cannot afford to sacrifice the research and education which current and future generations need to ensure their economic prosperity and domestic security.

Mr. LARSON of Connecticut. Mr. Chairman, I rise today in opposition to House Concurrent Resolution 393, the budget resolution for Fiscal Year 2005. One of the main reasons why I oppose this budget resolution is because it appears to parallel the President's budget by also underfunding the Help America Vote Act (HAVA). I have strongly urged Congress to fully fund the Help America Vote Act (HAVA) for Fiscal Year 2005 and I believe that the funding levels incorporated into this resolution fail to do so.

It is disheartening that we are approaching the first presidential election since the 2000 voting irregularities and the President and Congress still appear unwilling to commit the financial resources needed to make HAVA's envisioned success a reality.

Despite overwhelming bipartisan support for HAVA's passage, this budget resolution seems to provide for only \$65 million of the \$600 million authorized in that landmark law for fiscal 2005.

Under HAVA, the Federal government authorized \$3.9 billion to the States to upgrade their voting procedures in the wake of the 2000 election. State and local governments have traditionally borne these costs with virtually no assistance from Congress. By passing and signing HAVA into law, Congress and the President demonstrated that the Federal Government needs to provide States with a minimum of election-related resources and technical guidelines.

We must make this modest investment suggested in HAVA. If fully funded by Congress and the President, HAVA will strengthen confidence in our electoral process by facilitating the replacement of outdated voting equipment, the training of poll workers, and the development of improved election procedures.

Just this week, the new agency created by HAVA, the Election Assistance Commission (EAC), held its first public meeting to discuss election issues. The EAC is now our national resource for Federal election procedures. Thus, the EAC has a very important role in the future of our election process, and an equally important role in ensuring that we do not repeat the frustrations of the past.

Mr. Chairman, Congress should guarantee that the work of the Commission and other components of HAVA are provided for in our budget resolution, which is one of the reasons why I oppose House Concurrent Resolution 393 and would like to urge my colleagues to do the same.

Mr. CLAY. Mr. Chairman, I rise in opposition to House Concurrent Resolution 393—the House Budget Committee's Federal budget.

This bill is nothing but fiscal illusion—it is unfair to the average American family and it is irresponsible public policy.

This budget proposal is designed to create record Federal deficits while decimating valuable domestic programs. Public education, transportation, veterans benefits, environmental protection and small business programs would all be drastically cut in order to increase defense spending and maintain tax breaks for a select wealthy few.

Unbelievably, this bill would gut the Social Security surplus in order to ensure that tax cuts for the wealthy are not jeopardized. Social Security is one of the most successful social programs any nation has ever established. It has provided a real and valuable safety net to millions of seniors and yet this budget would diminish it in order to advance a narrow agenda, an agenda that excludes our Nation's seniors, excludes our Nation's children, excludes our Nation's veterans, and offers very little to any citizen who is not part of a small powerful elite.

The House Budget Committee bill offers little for education over the next 5 years, providing \$9.4 billion less than is authorized by No Child Left Behind, it also freezes funding for Pell grants, cuts funding for Perkins loans, and cuts vocational education by 25 percent.

And this budget guts \$358 million for health programs in 2005, which is even less than the President requested. And given what we know about the true cost of last year's Medicare Prescription Drug sham bill, it is hard to believe that this budget proposal offers nothing to help seniors with their prescription drug costs while providing \$46 billion in special payments to HMOs.

Mr. Chairman, under the former administration the budget was balanced for the first time in a generation. Now the current administration has squandered that legacy, our \$5.6 trillion surplus is gone and now this budget bill will help achieve a \$3 trillion deficit.

Mr. Chairman, I support the Congressional Black Caucus Alternative Budget. This legislative proposal would invest in America's future without undermining fiscal stability. This budget plan will improve domestic programs that serve American families; it will increase funding for homeland security, environmental protection, rail transportation, health care and health research. It will also increase funding for veterans benefits and for educational programs including Head Start, No Child Left Behind, Safe and Drug Free schools, Perkins loans, Pell grants and job training, vocational education and adult education.

The Congressional Black Caucus raises revenues by rescinding tax cuts for those earning over \$200,000 in gross income, it also plugs tax loopholes and eliminates tax avoidance schemes that feed the coffers of the rich and prevent us from paying down the Federal deficit.

Mr. Chairman, I support the CBC alternative budget as it is a fiscally sound budget that makes a real investment in our Nation's future.

Mr. ORTIZ. Mr. Chairman, House Republicans offer a budget today out of touch with reality, with everyday Americans and with basic math. It undermines veterans, working families, States, the southwest border, education, homeland security, military housing—and lays bare the real math beneath Medicare Reform.

This House budget provides \$1.3 billion less than what the Veterans' Affairs Committee

recommended—on a bipartisan basis—for these vital veterans health care programs. The Democratic budget provides the full committee-recommended level of \$32.3 billion for 2005, and includes \$6.6 billion more than the Republican budget over the next 5 years.

The Democratic budget will: improve access and reduce waiting time for all veterans; meet statutory requirements for long-term care by increasing the current number of nursing home beds to 1998 levels; reduce or eliminate the increased co-payments and enrollment fees proposed in the President's budget; increase funds for medical facility construction and renovation; and provide the resources necessary for more responsive reviews of claims and appeals.

Lord knows, Mr. Chairman, our veterans desperately need these improvements.

Basic complaints from veterans I have talked to in South Texas have focused on access, waiting times, and a severe lack of inpatient care in close proximity. We must be guided on spending for veterans by this fact: the numbers of soldiers coming home will rapidly increase the population of veterans needing services, from health care to education.

This year, accounting changes at CBO will kill the hugely successful Military Housing Privatization Initiative that leverages defense money to build quality housing for military families. This Budget Resolution effectively cancels adequate family housing for almost 50,000 military families.

I have a personal attachment to the housing privatization initiative—it was conceived in Kingsville, TX, out of a need to leverage Navy dollars for quality housing for military families. With toilets falling through the roofs of housing in South Texas—and no money to build other housing—the need was great—and so was our creativity.

The program was a great success. Defense Secretary Perry became a big fan of the program in its second year and then made it service-wide. This is the very best way to get better housing at our military bases, at the best price to taxpayers. I am disappointed that the budget does not meet the long-term needs of our veterans and our military families.

Mr. LEVIN. Mr. Chairman, I rise in strong opposition to the Republican budget resolution, and urge its rejection by the House.

Either budget deficits matter or they don't. If anyone here believes that deficits don't matter and that the Federal Government can continue to borrow and spend hundreds of billions of dollars each and every year in perpetuity, then you should vote for the Republican budget. Even if one takes the majority's budget resolution at face value, by its own admission the Republican budget adds another \$1.35 trillion in red ink to our Nation's already soaring national debt over the next 5 years. In fact, the deficit would be far lower if the Speaker simply adjourned the House and sent it home for the next 5 years.

The reality is that the majority's budget cannot be taken at face value. This plan's deficit projections are understated. For example, the Republican budget provides \$50 billion to cover the cost of military operations in Iraq and Afghanistan in 2005, but then includes nothing over the next 4 years. Does anyone here seriously believe that Iraq and Afghanistan will simply drop off the map and out of the budget after 2005?

The Republican budget also largely ignores the growing problem of the Alternative Min-

imum Tax. Some two and a half million households will get hit by this glitch in the Tax Code as they sit down to do their taxes this year, with the result that they will lose many of their itemized deductions and pay more taxes. The AMT problem gets worse year after year, affecting more and more middle class families. If this Congress does nothing, the number of households affected by the AMT soars to 12 million in 2005 and nearly 15 billion households in 2006. If we do nothing, the AMT will raise the taxes of 30 million taxpayers by 2010, and yet the Republican budget resolution assumes that Congress will do nothing to correct this growing problem in the Tax Code.

All of us know that we will have to address the AMT problem. According to the Congressional Budget Office, keeping the AMT at bay will cost more \$600 billion over the next 10 years. Since the majority's plan does not budget for this expense, the funds needed will be put on the national credit card to be paid by our children.

The Republican plan seeks to lock in permanent tax cuts this year whose costs explode outside the 5 years covered by this budget, including the tax cuts for the very wealthy. The majority's budget puts its tax breaks for the very wealthy ahead of everything else: ahead of deficit reduction; ahead of preserving Social Security for the impending retirement of the Baby Boom generation; ahead of Medicare; ahead of veterans programs; ahead of needed investments in education, transportation, environmental protection, and health care. Even worse, the Republican tax cuts are heavily tilted to the very wealthy.

I believe that deficits do matter. Because of the bankrupt policies of the Bush administration and the majority party, the Federal Government will need to borrow half a trillion dollars this year alone. If this House approves the majority's budget resolution, you dig the deficit hole deeper year after year to the tune of several hundred billion dollars each and every year. This is not a sustainable policy, and it is a terrible legacy to leave our children.

I urge the House to reject the Republican budget and vote instead for the budget alternative offered by Representative SPRATT. The Spratt alternative balances the budget, provides middle-class tax relief, and funds national priorities such as education, environmental protection, veterans benefits, and health care.

The CHAIRMAN. All time for debate has expired. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. SIMPSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 393) establishing the congressional budget for the United States Government for fiscal year 2005 and setting for appropriate budgetary levels for fiscal years 2004 and 2006 through 2009, pursuant to House Resolution 574, he reported the concurrent resolution back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on agreeing to the concurrent resolution.

Under clause 10 of rule XX, the yeas and nays are ordered.

This vote will be followed by a 5-minute vote on H.R. 3095 under suspension of the rules.

The vote was taken by electronic device, and there were—yeas 215, nays 212, not voting 7, as follows:

[Roll No. 92]

YEAS—215

Aderholt	Garrett (NJ)	Nunes
Akin	Gerlach	Nussle
Bachus	Gibbons	Osborne
Baker	Gilchrest	Ose
Ballenger	Gillmor	Otter
Barrett (SC)	Gingrey	Oxley
Bartlett (MD)	Goodlatte	Pearce
Barton (TX)	Goss	Pence
Bass	Granger	Peterson (PA)
Beauprez	Graves	Petri
Bereuter	Green (WI)	Pickering
Biggert	Greenwood	Pitts
Billirakis	Gutknecht	Platts
Bishop (UT)	Hall	Pombo
Blackburn	Harris	Porter
Blunt	Hart	Portman
Boehlert	Hastert	Pryce (OH)
Boehner	Hastings (WA)	Putnam
Bonilla	Hayes	Radanovich
Bonner	Hayworth	Ramstad
Bono	Hensarling	Regula
Boozman	Herger	Rehberg
Bradley (NH)	Hobson	Reynolds
Brady (TX)	Hoekstra	Rogers (AL)
Brown (SC)	Houghton	Rogers (KY)
Brown-Waite,	Hulshof	Rogers (MI)
Ginny	Hunter	Rohrabacher
Burgess	Hyde	Ros-Lehtinen
Burns	Isakson	Royce
Burr	Issa	Ryan (WI)
Burton (IN)	Istook	Ryun (KS)
Buyer	Jenkins	Saxton
Calvert	Johnson (CT)	Schrock
Camp	Johnson (IL)	Sensenbrenner
Cannon	Johnson, Sam	Sessions
Cantor	Keller	Shadeegg
Capito	Kelly	Shaw
Carter	Kennedy (MN)	Sherwood
Chabot	King (IA)	Shimkus
Chocola	King (NY)	Shuster
Coble	Kingston	Simmons
Cole	Kirk	Simpson
Collins	Kline	Smith (MI)
Cox	Knollenberg	Smith (TX)
Crane	Kolbe	Souder
Crenshaw	LaHood	Stearns
Cubin	Latham	Sullivan
Culberson	LaTourette	Sweeney
Cunningham	Leach	Tancredo
Davis, Jo Ann	Lewis (CA)	Taylor (NC)
Davis, Tom	Lewis (KY)	Terry
Deal (GA)	Linder	Thomas
DeLay	LoBiondo	Thornberry
DeMint	Lucas (OK)	Tiahrt
Diaz-Balart, L.	Manzullo	Tiberi
Diaz-Balart, M.	McCotter	Toomey
Doolittle	McCrery	Turner (OH)
Dreier	McHugh	Upton
Dunn	McKeon	Vitter
Ehlers	Mica	Walden (OR)
Emerson	Miller (FL)	Walsh
English	Miller (MI)	Wamp
Everett	Miller, Gary	Weldon (FL)
Feeney	Moran (KS)	Weldon (PA)
Ferguson	Murphy	Weller
Flake	Musgrave	Whitfield
Foley	Myrick	Wicker
Forbes	Nethercutt	Wilson (NM)
Fossella	Neugebauer	Wilson (SC)
Franks (AZ)	Ney	Wolf
Frelinghuysen	Northup	Young (AK)
Gallegly	Norwood	Young (FL)

NAYS—212

Ackerman	Bell	Boyd
Alexander	Berkley	Brady (PA)
Allen	Berman	Brown (OH)
Andrews	Berry	Brown, Corrine
Baca	Bishop (GA)	Capps
Baird	Bishop (NY)	Capuano
Baldwin	Blumenauer	Cardin
Ballance	Boswell	Cardoza
Becerra	Boucher	Carson (IN)

Carson (OK)	Jackson-Lee	Pastor
Case	(TX)	Paul
Castle	Jefferson	Payne
Chandler	John	Pelosi
Clay	Johnson, E. B.	Peterson (MN)
Clyburn	Jones (NC)	Pomeroy
Conyers	Jones (OH)	Price (NC)
Cooper	Kanjorski	Rahall
Costello	Kaptur	Rangel
Cramer	Kennedy (RI)	Renzi
Crowley	Kildee	Reyes
Cummings	Kilpatrick	Rodriguez
Davis (AL)	Kind	Ross
Davis (CA)	Kleczka	Rothman
Davis (FL)	Kucinich	Roybal-Allard
Davis (IL)	Lampson	Ruppersberger
Davis (TN)	Langevin	Rush
DeFazio	Lantos	Ryan (OH)
DeGette	Larsen (WA)	Sabo
Delahunt	Larson (CT)	Sánchez, Linda
DeLauro	Lee	T.
Deutsch	Levin	Sanchez, Loretta
Dicks	Lewis (GA)	Sanders
Dingell	Lipinski	Sandlin
Doggett	Lofgren	Schakowsky
Doolley (CA)	Lowey	Schiff
Doyle	Lynch	Scott (GA)
Duncan	Majette	Scott (VA)
Edwards	Maloney	Serrano
Emanuel	Markley	Shays
Engel	Marshall	Sherman
Eshoo	Matheson	Skelton
Etheridge	Matsui	Slaughter
Evans	McCarthy (MO)	Smith (NJ)
Farr	McCarthy (NY)	Smith (WA)
Fattah	McCollum	Snyder
Filner	McDermott	Solis
Frank (MA)	McGovern	Spratt
Frost	McIntyre	Stark
Gephardt	McNulty	Stenholm
Gonzalez	Meehan	Strickland
Goode	Meek (FL)	Stupak
Gordon	Meeks (NY)	Tauscher
Green (TX)	Menendez	Taylor (MS)
Grijalva	Michaud	Thompson (CA)
Gutierrez	Millender-	Thompson (MS)
Harman	McDonald	Tierney
Hastings (FL)	Miller (NC)	Towns
Hefley	Miller, George	Turner (TX)
Hill	Mollohan	Udall (CO)
Hinche	Moore	Udall (NM)
Hinojosa	Moran (VA)	Van Hollen
Hoeffel	Murtha	Velázquez
Holden	Nadler	Visclosky
Holt	Napolitano	Waters
Hooey (OR)	Neal (MA)	Watson
Hoyer	Oberstar	Watt
Hostettler	Obey	Waxman
Inslee	Olver	Weiner
Israel	Ortiz	Wexler
Jackson (IL)	Owens	Woolsey
	Pallone	Wu
	Pascrell	Wynn

NOT VOTING—7

Abercrombie	McInnis	Tauzin
Ford	Quinn	
Lucas (KY)	Tanner	

□ 1820

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

## COMMUNITY RECOGNITION ACT OF 2004

The SPEAKER pro tempore (Mr. LATOURETTE). The unfinished business is the question of suspending the rules and passing the bill, H.R. 3095, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3095, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 374, nays 2, not voting 57, as follows:

[Roll No. 93]

YEAS—374

Aderholt	Dicks	Kleczka
Akin	Dingell	Knollenberg
Allen	Doggett	Kolbe
Andrews	Doolittle	Kucinich
Baca	Dreier	Lampson
Bachus	Duncan	Langevin
Baird	Dunn	Lantos
Baker	Edwards	Larsen (WA)
Baldwin	Ehlers	Larson (CT)
Ballance	Emanuel	Latham
Ballenger	Emerson	LaTourette
Barrett (SC)	English	Lee
Bartlett (MD)	Eshoo	Levin
Barton (TX)	Etheridge	Lewis (CA)
Beauprez	Farr	Lewis (GA)
Becerra	Fattah	Lewis (KY)
Bell	Ferguson	Linder
Bereuter	Filner	LoBiondo
Berkley	Flake	Lofgren
Berman	Foley	Lucas (OK)
Billirakis	Forbes	Lynch
Bishop (GA)	Fossella	Majette
Bishop (NY)	Frank (MA)	Maloney
Bishop (UT)	Franks (AZ)	Manzullo
Blackburn	Frelinghuysen	Markley
Blumenauer	Frost	Matheson
Blunt	Gallegly	Matsui
Boehlert	Garrett (NJ)	McCarthy (NY)
Boehner	Gerlach	McCollum
Bonilla	Gibbons	McCotter
Bono	Gilchrest	McCrery
Boozman	Gingrey	McDermott
Bowen	Gonzalez	McGovern
Boucher	Goode	McHugh
Bradley (NH)	Goodlatte	McIntyre
Brady (PA)	Gordon	McKeon
Brady (TX)	Goss	McNulty
Brown (OH)	Granger	Meek (FL)
Brown (SC)	Graves	Meeks (NY)
Brown, Corrine	Green (TX)	Menendez
Brown-Waite,	Green (WI)	Mica
Ginny	Greenwood	Michaud
Burgess	Grijalva	Millender-
Burns	Gutierrez	McDonald
Burr	Harman	Miller (FL)
Burton (IN)	Hart	Miller (MI)
Calvert	Hastings (FL)	Miller (NC)
Camp	Hastings (WA)	Miller, Gary
Cannon	Hayes	Miller, George
Cantor	Hayworth	Mollohan
Capito	Hefley	Moore
Capps	Hensarling	Moran (KS)
Capuano	Herger	Murphy
Cardin	Hill	Musgrave
Cardoza	Hobson	Myrick
Carson (IN)	Hoefel	Nadler
Carter	Hoekstra	Napolitano
Case	Holt	Neal (MA)
Castle	Honda	Nethercutt
Chabot	Hoolley (OR)	Neugebauer
Chandler	Hostettler	Ney
Chocola	Houghton	Northup
Clyburn	Hoyer	Norwood
Coble	Hunter	Nunes
Cole	Hyde	Nussle
Collins	Inslee	Oberstar
Conyers	Israel	Olver
Cooper	Issa	Ortiz
Costello	Istook	Osborne
Cramer	Jackson (IL)	Ose
Crane	Jackson-Lee	Otter
Crenshaw	(TX)	Owens
Crowley	Jenkins	Oxley
Cubin	John	Pallone
Culberson	Johnson (CT)	Pascrell
Cummings	Johnson (IL)	Pastor
Cunningham	Johnson, E. B.	Paul
Davis (AL)	Johnson, Sam	Payne
Davis (CA)	Jones (OH)	Pearce
Davis (FL)	Kanjorski	Pence
Davis (IL)	Kaptur	Peterson (MN)
Davis, Jo Ann	Keller	Peterson (PA)
Davis, Tom	Kelly	Petri
DeFazio	Kennedy (MN)	Pickering
DeGette	Kennedy (RI)	Pitts
Delahunt	Kildee	Platts
DeLauro	Kilpatrick	Pombo
DeLay	Kind	Pomeroy
DeMint	King (IA)	Porter
Deutsch	King (NY)	Portman
Diaz-Balart, L.	Kingston	Price (NC)
Diaz-Balart, M.	Kirk	Pryce (OH)