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Long-Range Policy Deficit -
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TABLE 3-1
ECONOMIC ASSUMPTIONS
(calendar years)

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
BASELINE ASSUMPTIONS	<u>Percent Change, Fourth Quarter Over Fourth Quarter</u>						
Real GDP Growth.....	2.7	2.8	3.0	2.8	2.6	2.2	1.8
GDP Deflator Growth.....	2.4	2.5	2.4	2.3	2.2	2.2	2.2
Consumer Price Index Increase.....	3.1	2.8	2.7	2.7	2.7	2.7	2.7

Annual Average

Unemployment Rate (civilian).....	7.4	7.1	6.6	6.2	6.0	5.8	5.7
91-Day Treasury Bill Rate.....	3.5	3.2	3.7	4.3	4.7	4.8	4.9
10-Year Treasury Note Rate.....	7.0	6.7	6.6	6.6	6.5	6.5	6.4

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
ADMINISTRATION POLICY	<u>Percent Change, Fourth Quarter Over Fourth Quarter</u>						

Real GDP Growth.....	2.9	3.1	3.3	2.7	2.5	2.5	2.5
GDP Deflator Growth.....	2.4	2.8	2.9	3.0	3.0	3.0	3.0
Consumer Price Index Increase.....	3.1	3.0	3.1	3.3	3.3	3.4	3.4

Annual Average

Unemployment Rate (civilian).....	7.4	6.9	6.4	6.1	5.9	5.7	5.5
91-Day Treasury Bill Rate.....	3.5	3.7	4.3	4.7	4.8	4.9	5.0
10-Year Treasury Note Rate.....	7.0	6.7	6.6	6.5	6.5	6.4	6.4

HIGHLIGHTS OF THE PLAN
(in billions of dollars)

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	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>94-97 Total</u>	<u>94-98 Total</u>
Current Baseline.....	319	301	296	297	346	390	1241	1630
<u>Spending Cuts:</u>								
Defense.....	---	-7	-12	-20	-37	-36	-76	-112
Nondefense discretionary.....	1	-4	-10	-15	-20	-23	-50	-73
Entitlements.....	-0	-6	-12	-24	-34	-39	-76	-115
Social Security.....	---	-3	-6	-6	-7	-8	-21	-29
Subtotal.....	0	-20	-40	-65	-98	-106	-223	-329
Debt Service.....	0	-0	-3	-7	-14	-22	-24	-46
Total spending cuts.....	1	-20	-43	-73	-112	-128	-247	-375
<u>Revenue increases</u>	<u>-3</u>	<u>-46</u>	<u>-51</u>	<u>-66</u>	<u>-83</u>	<u>-82</u>	<u>-246</u>	<u>-328</u>
Gross deficit reduction.....	-2	-66	-93	-139	-195	-210	-493	-704
<u>Stimulus and investment:</u>								
Stimulus outlays.....	8	6	2	1	0	0	9	9
Investment outlays.....	---	9	20	32	39	45	100	144
Tax incentives.....	6	13	17	15	15	17	60	77
Total stimulus & investment....	15	27	39	47	55	62	169	231
Total Deficit Reduction.....	13	-39	-54	-92	-140	-148	-325	-473
Proposed Deficits.....	332	262	242	205	206	241	916	1157
As a percent of GDP.....	5.4%	4.0%	3.5%	2.9%	2.7%	3.1%	3.3%	3.2%

Appendix

TABLE 1. DEFENSE DISCRETIONARY PROPOSALS

(in billions of dollars)

	1993	1994	1995	1996	1997	1998
Current OBRA Baseline:						
Budget Authority	274.3	288.0	296.4	304.5	312.9	321.5
Outlays	294.3	289.6	293.8	299.8	306.5	313.8
Change from OBRA to Bush Adjusted:						
Budget Authority		-12.5	-18.4	-26.2	-28.3	-28.1
Outlays		-5.3	-9.5	-15.2	-20.0	-24.8
Current Bush Adjusted Baseline:						
Budget Authority		275.5	278.0	278.3	284.6	293.4
Outlays		284.4	284.3	284.6	286.5	289.0
Proposed Policy Changes:						
Budget Authority		-11.8	-15.2	-24.5	-36.2	-39.2
Outlays		-6.7	-11.7	-19.7	-37.4	-36.3
Proposed Defense Discretionary:						
Budget Authority	274.3	263.7	262.8	253.8	248.4	254.2
Outlays	294.3	277.7	272.6	264.9	249.1	252.7

Appendix

TABLE 2. NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
PROGRAMS THAT DON'T WORK OR ARE NO LONGER NEEDED						
Commerce:						
Eliminate Trade Adjustment Assistance for firms	-1	-5	-10	-14	-14	-30
Reduction in Export Administration workload	-6	-7	-7	-7	-7	-27
Health and Human Services:						
Fund priority health professions curriculum assistance grants	-14	-21	-25	-27	-29	-87
State:						
Eliminate Russia/Eurasia research	-1	-8	-10	-10	-11	-29
Environmental Protection Agency:						
Completion of wastewater treatment grants authorization (except NAFTA)	-109	-624	-1,424	-1,947	-2,207	-4,104
Appalachian Regional Commission:						
Freeze Appalachian Regional Commission	-1	-2	-6	-11	-12	-20
Community Investment Program:						
Reforms in light of new crime initiative		-211	-411	-532	-550	-1,154
State Justice Institute:						
Terminate State Justice Institute	-3	-15	-16	-17	-17	-51
Tennessee Valley Authority:						
Terminate TVA fertilizer and community development	-42	-46	-50	-50	-52	-188
Multi-Agency:						
Eliminate unnecessary nuclear reactor R&D	-97	-198	-257	-268	-279	-820
Terminate commissions	-9	-10	-11	-11	-11	-41
Subtotal, Programs That Don't Work or are No Longer Needed	-283	-1,147	-2,227	-2,894	-3,189	-6,551
ELIMINATING SUBSIDIES: CHARGING FEES FOR GOVERNMENT SERVICES						
Agriculture:						
Reduce Rural Electrification Administration 5-percent loan subsidies	-27	-77	-120	-150	-171	-374
Expand certain agriculture user fees	-14	-14	-15	-16	-16	-59
Eliminate Cooperative State Research Service (CSRS) earmarked research grants	-4	-18	-32	-42	-46	-96
Eliminate CSRS earmarked facilities construction	-3	-7	-32	-44	-60	-86
Eliminate earmarked special extension grants	-13	-13	-14	-14	-15	-54
Eliminate Agricultural Research Service earmarked facilities construction	-1	-6	-7	-10	-10	-24
Meat/Poultry fees: Reimbursement for overtime	-104	-104	-104	-104	-104	-416
Commerce:						
Terminate NOAA demonstration projects	-30	-55	-65	-70	-73	-220
Corps of Engineers:						
Reduce construction funding for lower priority water projects ..	-85	-70	-30	-50	-15	-235
Energy:						
Assess foreign customers decommissioning and decontamination fee (receipts)	-10	-10	-11	-11	-12	-42
Health and Human Services:						
Increase FDA user fees	-167	-230	-285	-336	-387	-1,018

Appendix

TABLE 2. NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
Housing and Urban Development:						
Eliminate special purpose grants	-5	-73	-209	-278	-288	-565
Interior:						
Reduce construction funding for lower priority water projects ..	-18	-40	-63	-42	-23	-163
Transportation:						
Eliminate low priority Transportation programs and projects	-129	-337	-438	-428	-417	-1,332
Treasury:						
Establish a Bureau of Alcohol, Tobacco, and Firearms user fee	-5	-5	-5	-5	-5	-20
Small Business Administration:						
Eliminate SBA earmarked grants	-44	-71	-90	-110	-116	-315
Securities and Exchange Commission:						
Increase SEC Registration Fees	-47	-50	-52	-54	-56	-203
Subtotal, Eliminating Subsidies: Charging Fees for Government Services.....	-706	-1,180	-1,572	-1,764	-1,814	-5,222
MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS						
Agriculture:						
Reduce Enterprise for the Americas debt forgiveness (P.L. 480).....	-6	-17	-20	-36	-38	-79
Reduce development-oriented foreign food aid	-30	-63	-72	-81	-90	-246
Phase out below-cost timber sales (Forest Service).....	-46	-59	-83	-86	-86	-274
Implement one new Farm Service Organization	-65	-139	-219	-307	-403	-730
Reform crop insurance through area-yield	-105	-110	-165	-171	-177	-551
Reduce Economic Research Service programs	-12	-16	-16	-17	-18	-61
Reduce Foreign Agriculture Service programs	-5	-10	-10	-10	-10	-35
Reduce direct ACIF farm loans 25%; replace with guarantees	-3	-8	-10	-10	-11	-31
Education:						
Reform campus-based aid	-20	-198	-239	-275	-312	-732
Phase out impact aid "b"	-39	-86	-134	-145	-149	-404
Energy:						
Stretchout Superconducting Super Collider.....	108					108
Implement uranium enrichment initiative	-241	-274	-374	-386	-340	-1,275
Reduce Strategic Petroleum Reserve fill by one-third	-55	-58	-22	37	39	-98
Housing and Urban Development:						
Eliminate public housing new construction amendments			-7	-36	-58	-43
Modify fees Federal housing	-40	-85	-136	-193	-204	-454
Reforming low-income housing preservation	-5	-15	-37	-58	-80	-115
Consolidate several HUD housing programs into HOME	-1	29	-56	-150	-474	-178
Justice:						
Reduce prison construction	-7	-40	-103	-181	-249	-331
Transportation:						
Maintain level Federal Aviation Administration (Operations)	-55	-62	-62	-62	-62	-241
Adjust Coast Guard for military pay	-29	-53	-69	-86	-99	-237
Veterans Affairs:						
Reform major construction	-7	-46	-95	-134	-152	-282
Improve management of VA hospitals	-100	-200	-300	-400	-500	-1,000

Appendix

TABLE 2. NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
Environmental Protection Agency:						
Increase private sector Superfund financing.....	-31	-73	-95	-109	-118	-308
National Aeronautics and Space Administration:						
Redesign Space Station and invest in new technology	203	662	625	636	510	2,126
Small Business Administration:						
Reduce 7(a) business loan subsidies	-58	-113	-116	-118	-121	-405
Board for International Broadcasting:						
Consolidate overseas broadcasting.....	-60	-59	-281	-244	-250	-644
Executive Office of the President:						
Cut White House and Office of National Drug Control Policy staff.....	-20	-32	-37	-40	-43	-129
Funds Appropriated to the President:						
Re-orient AID programs and reduce spending	-7	-84	-152	-257	-341	-500
Phase out defense acquisition fund	-23	-92	-138	-133	-86	-386
Reduce International Security Assistance	-84	-264	-504	-731	-943	-1,583
Reduce Enterprise for the Americas debt forgiveness (AID)....	-8	-20	-34	-45	-54	-107
Export Import Bank of the United States:						
Reduce Export Import Bank credits	-3	-6	-39	-105	-148	-153
U.S. Information Agency:						
Russian Far East Technical Assistance Center	-2	-2	-2	-2	-2	-8
Terminate funding for North-South Center.....	-4	-9	-9	-10	-10	-32
Multi-Agency:						
Freeze other foreign assistance programs.....	-6	-14	-75	-95	-111	-190
Maintain current program level for programs in small agencies	-12	-30	-60	-92	-124	-194
No Federal Pay Raise CY94; ECI-Based Raise minus 1% CY1995-1997; revise locality pay beginning CY1995.....	-1,361	-1,963	-2,281	-2,741	-2,965	-8,346
Administrative Efficiencies:						
Cut 100,000 Federal employees.....	-932	-2,180	-2,306	-2,509	-2,591	-7,927
Other administrative savings.....	-676	-1,392	-2,169	-3,462	-3,553	-7,699
Reduce overhead rate on university R&D	-156	-330	-369	-383	-396	-1,238
Subtotal, Managing Government for Cost-Effectiveness and Results	-4,003	-7,511	-10,271	-13,227	-14,819	-35,012
STREAMLINING GOVERNMENT						
Agriculture	-38	-76	-96	-117	-139	-327
Education	-70	-318	-486	-620	-758	-1,494
Energy.....		-1	-3	-7	-12	-11
Health and Human Services	-199	-500	-832	-1,168	-1,512	-2,699
Housing and Urban Development.....	-104	-265	-443	-621	-822	-1,433
Justice.....	-25	-19	-38	-56	-73	-138
Labor.....	-2	-52	-105	-161	-215	-320
Transportation	-10	-25	-33	-44	-54	-112
Treasury.....	-33	-52	-63	-68	-73	-216
Veterans Affairs.....		-1	-3	-6	-10	-10
Corps of Engineers.....	-13	-34	-56	-77	-99	-180
Environmental Protection Agency	-10	-38	-70	-103	-137	-221
Other agencies	-100	-170	-230	-267	-292	-767
Subtotal, Streamlining Government.....	-604	-1,551	-2,458	-3,315	-4,196	-7,928

Appendix

TABLE 2. NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
TECHNICAL ADJUSTMENTS						
Agriculture	-9	-10	-10	-10	-11	-39
Commerce	-30	-11	5	53	257	17
Education	66	122	131	135	134	454
Energy	214			-35	-144	179
Health and Human Services	-105	-91	-74	-61	-48	-331
Interior:						
Indian Land and Water Rights Claim Settlements	200	200	200	200	200	800
Other Interior programs	2	0	-4	-8	-10	-10
Justice	41	55	65	72	78	233
Labor:						
Unemployment Insurance administration workload adjustment	130	133	126	119	143	508
Other Labor programs	-54	-194	-265	-270	-281	-783
State	169	106	147	79	117	501
Transportation	104	122	127	135	144	488
Treasury:						
United States Customs	29	29	30	31	32	119
Fund additional IRS tax compliance efforts	143	156	163	171	178	633
Environmental Protection Agency	-15	-59	-95	-102	-104	-271
General Services Administration	-89	-90	-96	-222	-323	-497
Office of Personnel Management	3	9	8	5	9	25
Funds Appropriated to the President: International Affairs programs	236	469	533	580	540	1,818
Other agencies	83	250	131	110	97	574
Subtotal, Technical Adjustments	1,118	1,196	1,122	982	1,008	4,418
TOTAL, all categories	-4,478	-10,193	-15,406	-20,218	-23,010	-50,295

Appendix

TABLE 3. PROPOSED CHANGES TO MANDATORY PROGRAMS

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
ELIMINATING SUBSIDIES: CHARGING FEES FOR GOVERNMENT SERVICES						
Energy:						
Reform Power Marketing Administration			-100	-100	-100	-200
Natural Resources and Environment:						
Phase-in increased Inland Waterway user fees	-35	-115	-210	-460	-460	-820
Increase grazing fees: Agriculture Department	-2	-5	-8	-13	-19	-28
Increase grazing fees: Interior Department	-4	-8	-14	-22	-32	-48
Implement a Federal irrigation water surcharge	-10	-10	-10	-15	-15	-45
Increase recreation fees: Corps of Engineers	-18	-18	-18	-18	-18	-72
Increase recreation fees: Interior Department	-29	-34	-39	-45	-50	-147
Increase recreation fees: Agriculture Department	-10	-11	-12	-13	-13	-46
Permanently extend hardrock mining holding fees	-80	-80	-80	-80	-80	-320
Institute hardrock mining royalties		-63	-131	-277	-277	-471
Improve enforcement of harbor maintenance fees	-10	-25	-65	-65	-65	-165
Permanently extend 50% net receipt sharing (on-shore minerals)	-40	-42	-43	-45	-47	-170
Below-cost timber sales (loss of receipts)	38	48	58	58	58	202
Agriculture:						
Eliminate subsidies to honey producers	-12	-10	-6	-4	-3	-32
Target CCC subsidies to farmers with off-farm incomes be- low \$100,000	-75	-115	-140	-140	-140	-470
Increase non-eligible payment acres (triple base) starting in 1996			-310	-720	-720	-1,030
Eliminate 0/92 and 50/92 (PAY/92) programs starting in 1996			-273	-664	-640	-937
Increase assessments on "non-program" crops starting in 1996			-450	-450	-450	-900
Limit payments on wool and mohair to \$50 thousand per person	-10	-68	-68	-66	-66	-212
Permanently extend market promotion program at 1993 level	-52	-52	-52	-52	-52	-208
Commerce and Housing Credit:						
Assess examination fees for State-chartered, FDIC-insured banks	-255	-265	-275	-286	-297	-1,081
Institute Commodity Futures Trading Commission process- ing fees (revenue)	-55	-57	-60	-63	-66	-235
Increase Securities and Exchange Commission registration fees (revenue)	-44	-46	-48	-50	-52	-188
Permanently extend patent and trademark fees			-111	-115	-120	-226
Transportation:						
Increase registration fee on general aviation aircraft	-18	-31	-44	-58	-60	-151
Permanently extend tonnage fees			-67	-68	-70	-135
Health:						
Complete payment of outstanding postal liabilities: FEHB portion		-116	-116	-116		-348
Income Security:						
Charge fee for State SSI administration	-50	-110	-180	-180	-190	-520

Appendix

TABLE 3. PROPOSED CHANGES TO MANDATORY PROGRAMS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
Administration of Justice:						
Permanently extend U.S. Customs merchandise and passenger processing fees			-564	-579	-597	-1,143
Undistributed Offsetting Receipts:						
Auction Federal Communications Commission spectrum		-374	-1,623	-2,083	-340	-4,080
Complete payment of outstanding postal liabilities: Cost-of-living adjustments for retirees		-231	-231	-231		-693
Subtotal, Eliminating Subsidies: Charging fees for Government Services	-771	-1,838	-5,290	-7,020	-4,981	-14,919
MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS						
Agriculture:						
Reform crop insurance program through area-yield (mandatory savings)		-238	-246	-255	-264	-739
Reform commodity disaster payments						
Commerce and Housing Credit:						
Government National Mortgage Association: Real estate mortgage insurance conduits	-146	-146	-146	-146	-146	-584
Reform Federal Housing Administration insurance	-28	-66	-78	-81	-83	-253
Education, Training, Employment, and Social Services:						
Reform student loan program	171	213	-378	-1,343	-1,833	-1,337
Require States to share default costs	-80	-122	-126	-131	-137	-459
Income Security:						
Conform CSRS/FERS child-survivor benefits age to Social Security	-5	-10	-15	-20	-25	-50
Base CSRS/FERS survivor annuities on reduced retiree annuity	-35	-70	-105	-140	-175	-350
Veterans Benefits and Services:						
Restore 1:9 contribution ratio for GI Bill benefits	-68	-83	-90	-98	-108	-339
Implement housing down-payment for second and subsequent uses	-17	-17	-17	-17	-17	-68
Pay insurance administration from excess funds	-25	-28	-29	-31	-32	-113
Set housing loan fees at 2%	-153	-155	-155	-157	-165	-620
Permanently extend pensions-medicare nursing homes provisions					-300	
Permanently extend pension/medical care income verification through Internal Revenue Service					-197	
Permanently extend medical care costs recovery	-46	-326	-391	-407	-425	-1,170
Permanently extend prescription charge/co-payment					-42	
Permanently extend resale loan loss provisions	-19	-20	-20	-21	-22	-80
Administration of Justice:						
Reform U.S. Customs overtime	-18	-18	-18	-18	-18	-72
General Government:						
Implement Commonwealth of the Northern Mariana Islands funding agreement	-6	-7	-8	-10	-12	-31
Net Interest:						
Shorten maturity of debt securities	-1,634	-2,660	-3,264	-3,919	-4,877	-11,477

Appendix

TABLE 3. PROPOSED CHANGES TO MANDATORY PROGRAMS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
Other:						
FTE cut—offsets—employer contributions.....	115	269	284	310	320	978
FTE cut—offsets—employee contributions.....	29	67	71	77	80	244
Pay reduction—related employee contributions.....	71	95	109	131	141	406
Increase revenues from IRS tax compliance efforts.....	-11	-74	-297	-554	-601	-936
Subtotal, Managing Government for Cost-effectiveness and results.....	-1,905	-3,396	-4,919	-6,830	-8,938	-17,050
CONTROLLING HEALTH CARE COSTS						
Health:						
Institute Medicare fee limits over 65: Federal Employees Health Benefits.....	-12	-18	-21	-24	-27	-75
Medicaid: Eliminate mandatory medicaid care.....	-1,190	-1,355	-1,540	-1,760	-1,760	-4,085
Medicaid: Tighten estate asset rules.....	-25	-80	-135	-155	-170	-395
Medicaid: Remove prohibition on drug formularies.....	-10	-15	-20	-25	-30	-70
Medicare:						
Pay hospitals for inpatient services by hospital-based physicians.....	-80	-150	-160	-160	-180	-390
Put hospitals on a calendar year update.....	-1,000	-1,140	-1,180	-1,290	-1,420	-4,610
Gradually lower indirect medical education rate to 5.65%.....	-580	-1,360	-1,600	-1,600	-1,940	-1,940
Set laboratory rates at market levels.....	-390	-690	-890	-1,120	-1,390	-3,090
Eliminate skilled nursing facility return on equity payments ..	-110	-140	-150	-160	-170	-560
Durable medical equipment—options.....	-75	-125	-150	-160	-175	-510
Set erythropoietin (EPO) at non-U.S. market rates (\$10 per 1000 units).....	-30	-40	-40	-50	-50	-160
Medicare secondary payor (MSP) reforms.....	-127	-240	-275	-305	-345	-947
Eliminate add-on for hospital based home health agency.....	-160	-200	-230	-250	-280	-840
Phase-in resource-based practice expense.....	-100	-350	-700	-875	-950	-2,025
Implement single fee for surgery.....	-50	-100	-110	-120	-130	-380
Discount for interactions.....	160	200	490	940	1,410	1,790
Reduce hospital update market basket minus 1% in 1994 and 1995.....	-550	-1,380	-1,560	-1,700	-1,860	-5,190
Permanently extend 10% capital reduction, outpatient department.....	-110	-150	-170	-170	-260	-260
Permanently extend 2% laboratory fee update.....	-30	-110	-220	-380	-570	-740
Permanently extend 10% capital reduction, Prospective Payment System neutral.....	-300	-380	-420	-680	-680	-680
Permanently extend Medicare Secondary Payer (MSP) for the disabled.....	-650	-960	-1,085	-1,610	-1,610	-1,610
Permanently extend MSP for End Stage Renal Disease after 18 months.....	-35	-35	-35	-35	-70	-70
Permanently extend Internal Revenue Service/Social Security Administration/Health Care Financing Administration data match.....	-45	-120	-205	-165	-165	-165
Permanently extend reduction of payments for hospital outpatient services by 5.8%.....	-425	-525	-600	-950	-950	-950
Third party liability—Enhance identification of other health coverage.....	-150	-250	-400	-450	-800	-800
Direct medical education.....	-350	-340	-340	-330	-320	-1,360

Appendix

TABLE 3. PROPOSED CHANGES TO MANDATORY PROGRAMS—Continued

(Outlays in millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
Ban physician self referrals		-50	-100	-100	-100	-250
Reduce default Medicare volume performance and update			-200	-650	-1,225	-850
Reduce doctor fees in 1994 except primary care	-200	-300	-350	-400	-425	-1,250
Provide electronic billing incentive			-90	-175	-175	-265
Outpatient department cut at 10%			-315	-375	-425	-690
Medicare—Maintain 1995 ratio of premium collections to program outlays with a 27% ceiling			-1,145	-3,870	-6,560	-5,015
Subtotal, Controlling Health Care Costs	-3,059	-6,538	-11,631	-17,204	-21,892	-38,432
SHARED CONTRIBUTION						
Health:						
Medicaid: Equate matching rates for welfare program	-160	-400	-440	-490	-540	-1,490
Social Security:						
Retain Social Security threshold and tax 85% (revenue)	-2,700	-5,600	-6,200	-6,900	-7,700	-21,400
Income Security:						
Strengthen child support enforcement	-27	-80	-112	-109	-177	-328
Equate matching rates for welfare program	-40	-80	-90	-90	-90	-300
End lump-sum benefit			-2,100	-3,032	-3,197	-5,132
Subtotal, Shared Contribution	-2,927	-6,160	-8,942	-10,621	-11,704	-28,650
TOTAL, PROPOSED ENTITLEMENT SAVINGS	-8,662	-17,932	-30,782	-41,675	-47,515	-99,051
MEMORANDUM:						
Revenue items included above	-2,755	-5,755	-6,700	-7,884	-8,723	-23,094

Appendix

TABLE 4. STIMULUS PROPOSALS

(In millions of dollars)

	1993			1994 outlays	1995 outlays	1996 outlays	1997 outlays	1998 outlays	Total 1994- 1997 outlays
	Budget Authority	Obliga- tions	Outlays						
INFRASTRUCTURE									
Department of Defense—Civil:									
Army Corps of Engineers water projects	94	94	28	66	.....	.....	.....	.....	66
Department of Transportation:									
Federal highway program		2,976	316	1,895	405	103	64	59	2,467
Airport improvement program		250	34	106	63	25	13	10	207
AMTRAK	188	188	28	131	28	.....	.....	.....	159
Mass transit:									
Obligation limitation		16	1	3	5	3	3	1	14
1993 supplemental	736	736	139	245	147	95	89	22	576
Subtotal, Transportation	924	4,166	518	2,380	648	226	169	92	3,423
Department of Veterans Affairs:									
Maintenance backlog	235	235	153	82	.....	.....	.....	.....	82
SUBTOTAL, INFRASTRUCTURE	1,253	4,495	699	2,528	648	226	169	92	3,571
SUMMER OF OPPORTUNITY									
Department of Agriculture:									
Food and Nutrition Service:									
Women, Infants, and Children (WIC) supplemental feeding program	75	75	68	7	.....	.....	.....	.....	7
The Emergency Food Assistance Pro- gram (TEFAP)	23	23	23	.....	.....	.....	.....	.....	.....
Subtotal, Agriculture	98	98	91	7	.....	.....	.....	.....	7
Department of Education:									
Pell Grants unfunded shortfalls:									
Fund current law for 1993-1994 school year without borrowing from 1994 funds...	653	653	.....	.....	.....	.....	.....	.....	.....
Fund shortfall caused in prior years without borrowing from 1994 funds	1,371	1,371	.....	.....	.....	.....	.....	.....	.....
Chapter 1:									
Census supplemental	235	235	28	160	42	5	.....	.....	207
Summer 1993 pre-school and school programs	500	500	400	100	.....	.....	.....	.....	100
Subtotal, Education	2,759	2,759	428	260	42	5	.....	.....	307

Appendix

TABLE 4. STIMULUS PROPOSALS—Continued

(In millions of dollars)

	1993			1994	1995	1996	1997	1998	Total 1994– 1997
	Budget Authority	Obliga- tions	Outlays	outlays	outlays	outlays	outlays	outlays	outlays
Department of Health and Human Services:									
Head Start:									
Head Start summer program	500	500	425	75	.....	.....	.....	.....	75
Childcare feeding (Agriculture).....	56	56	48	8	.....	.....	.....	.....	8
Immunization	300	300	236	64	.....	.....	.....	.....	64
AIDS: Ryan White Act.....	200	200	152	48	.....	.....	.....	.....	48
Subtotal, Health and Human Services ..	1,056	1,056	861	195	.....	.....	.....	.....	195
Department of the Interior:									
Bureau of Indian Affairs:									
Enhanced school operations	49	28	28	17	4	.....	.....	.....	21
Department of Labor:									
Summer youth employment.....	1,000	1,000	660	340	.....	.....	.....	.....	340
Worker profiling	14	14	9	5	.....	.....	.....	.....	5
Community service employment for older Americans.....	32	32	6	23	3	.....	.....	.....	26
Extend Unemployment Compensation	4,000	4,000	4,000	.....	.....	.....	.....	.....	.....
Offsets: Extension lowers spending on Ex- tended Benefits program.....	.....	.....	-800	.....	.....	.....	.....	.....	.....
Subtotal, Labor	5,046	5,046	3,875	368	3	.....	.....	.....	371
Other Agencies:									
National Service program	15	15	12	3	.....	.....	.....	.....	3
Equal Employment Opportunity Commission	9	9	8	1	.....	.....	.....	.....	1
Small Business Administration:									
7(a) loan guarantees—loan levels	(2,575)	(2,575)	.....	.....	.....	.....	.....	.....	.....
Loan subsidy	141	141	42	99	.....	.....	.....	.....	99
Subtotal, Other Agencies.....	165	165	62	103	.....	.....	.....	.....	103
SUBTOTAL, SUMMER OF OPPORTUNITY	9,173	9,152	5,345	950	49	5	.....	.....	1,004
TECHNOLOGY INVESTMENTS									
Department of Commerce:									
National Institute of Standards and Technol- ogy:									
Advanced technology program.....	103	54	33	31	26	13	.....	.....	70
Networking and computing applications ...	14	14	11	3	.....	.....	.....	.....	3
National Oceanic and Atmospheric Admini- stration: Equipment acquisition.....	81	81	67	14	.....	.....	.....	.....	14
National Telecommunications and Informa- tion Administration: "Information Highways".	64	38	3	31	30	.....	.....	.....	61
Subtotal, Commerce.....	262	187	114	79	56	13	.....	.....	148

Appendix

TABLE 4. STIMULUS PROPOSALS—Continued

(In millions of dollars)

	1993			1994 outlays	1995 outlays	1996 outlays	1997 outlays	1998 outlays	Total 1994– 1997 outlays
	Budget Authority	Obliga- tions	Outlays						
Department of Health and Human Services:									
National Institutes of Health:									
Networking and computing applications ...	9	9	6	3					3
Social Security Administration:									
Disability Insurance (DI) processing.....		302	302						
Subtotal, Health and Human Services ..	9	311	308	3					3
Department of the Treasury:									
Accelerate Tax System Modernization (TSM).....	148	148	104	44					44
Other Agencies:									
National Aeronautics and Space Administra- tion:									
Networking and computing applications ...	5	4	3	2					2
National Science Foundation									
Research and development	188	150	85	75	28				103
Networking and computing applications ...	19	15	8	8	3				11
Subtotal, NSF	207	165	93	83	31				114
Subtotal, Other agencies	212	169	96	85	31				116
SUBTOTAL, TECHNOLOGY INVEST- MENTS	631	815	622	211	87	13			311
URBAN DEVELOPMENT AND HOUSING INITIATIVE									
Department of Commerce:									
Economic Development Administration	94	94	9	29	29	18	7	2	83
Minority Business Development Administra- tion.....	2	2	1	1					1
Subtotal, Commerce.....	96	96	10	30	29	18	7	2	84
Department of Housing and Urban Development:									
Accelerate Home Investment Partnership									
Accelerate Public Housing Modernization			83	173	263	260	171	85	867
Community Development Block Grants.....	2,536	2,536	659	1,319	558				1,877
Supportive Housing	423	423	127	211	85				296
Subtotal, HUD	2,959	2,959	869	1,703	906	260	171	85	3,040
Other Agencies:									
District of Columbia	28	28	28						
SUBTOTAL, URBAN DEVELOPMENT AND HOUSING INITIATIVE	3,083	3,083	907	1,733	935	278	178	87	3,124

Appendix

TABLE 4. STIMULUS PROPOSALS—Continued

(In millions of dollars)

	1993			1994	1995	1996	1997	1998	Total 1994– 1997
	Budget Authority	Obliga- tions	Outlays	outlays	outlays	outlays	outlays	outlays	outlays
RURAL DEVELOPMENT INITIATIVE									
Department of Agriculture:									
Soil Conservation Service:									
Watershed and conservation.....	47	47	24	23					23
Agricultural Research Service:									
Enhanced facility maintenance.....	38	38	30	8					8
Enhanced natural resource protection.....	188	188	169	19					19
FmHA Very Low-Income Housing Repair Loans:									
Loan levels	(3)	(3)							
Loan subsidy	1	1	1						
FmHA very low-income housing repair grants.....	6	6	5	1					1
FmHA Single Family Housing Guaranteed Loans:									
Loan levels	(235)	(235)							
Loan subsidy	5	5	4	1					1
Food Safety and Inspection Service.....	4	4	4						
Rural Development Administration:									
Loan levels	(470)	(470)							
Loan subsidy	67	67	2	19	22	24			65
Grants	281	281	6	67	84	124			275
Subtotal, Agriculture	637	638	244	138	106	148			392
Department of the Interior:									
Bureau of Indian Affairs: Economic develop- ment on Indian Reservations:									
Loan levels	(48)	(48)							
Loan subsidy	6	6	6						
Road maintenance and facility repair	33	33	29	4					4
Subtotal, Interior	39	39	35	4					4
SUBTOTAL, RURAL DEVELOPMENT	676	677	280	142	106	148			396
ENVIRONMENT/ENERGY									
Department of Energy:									
National Laboratories (CRADAs)	47	47	22	19	7				26
Increase weatherization grants	47	47	14	26	7				33
Building and industrial conservation	19	19	10	9					9
Vehicle energy conversion	28	28	28						
Subtotal, Energy	141	141	74	54	14				68

Appendix

TABLE 4. STIMULUS PROPOSALS—Continued

(In millions of dollars)

	1993			1994 outlays	1995 outlays	1996 outlays	1997 outlays	1998 outlays	Total 1994– 1997 outlays
	Budget Authority	Obliga- tions	Outlays						
Department of the Interior:									
Enhanced natural resource protection.....	349	349	315	35	.....	.....	.....	.....	35
National Park Service: Historic preservation	23	23	14	9	.....	.....	.....	.....	9
Subtotal, Interior.....	372	372	329	44	.....	.....	.....	.....	44
Other Agencies:									
Environmental Protection Agency:									
Watershed resource restoration grants.....	47	47	23	15	8	.....	.....	.....	23
Green programs	23	23	8	11	4	.....	.....	.....	15
Wastewater State revolving fund	845	845	39	179	272	172	72	34	695
Subtotal, EPA	915	915	70	205	284	172	72	34	733
Multi-Agency cross-cutting option :									
Federal buildings energy efficiency	19	19	11	7	1	.....	.....	.....	8
Subtotal, Other agencies	934	934	81	212	285	172	72	34	741
SUBTOTAL, ENVIRONMENT/ENERGY	1,447	1,447	484	310	299	172	72	34	853
TAX INCENTIVES									
Investment tax credit and other tax stimulus provisions	6,442	6,442	6,442	.....	.....	.....	.....	.....	.....
TOTALS, ALL CATEGORIES									
SUBTOTAL, ALL SPENDING	16,262	19,669	8,336	5,874	2,124	842	419	213	9,259
SUBTOTAL, LOAN LEVELS	3,331	3,331	.....	.....	.....	.....	.....	.....	.....
LESS LOAN SUBSIDY.....	-220	-220	.....	.....	.....	.....	.....	.....	.....
SUBTOTAL, SPENDING + LOAN LEVELS..	19,373	22,780	8,336	5,874	2,124	842	419	213	9,259
SUBTOTAL, TAX INCENTIVES	6,442	6,442	6,442	.....	.....	.....	.....	.....	.....
TOTAL.....	25,815	29,222	14,778	5,874	2,124	842	419	213	9,259

Appendix

TABLE 5. INVESTMENT PROPOSALS

(In millions of dollars)

	1994	1995	1996	1997	1998	1994- 1997 Total
REBUILD AMERICA—INFRASTRUCTURE						
Transportation:						
Federal-aid highway program.....	402	1,736	1,847	1,631	1,402	5,616
Smart cars/smart highways (part of Federal-aid highway obligations)	(70)	(85)	(90)	(100)	(100)	(345)
Mass transit formula capital grants	23	149	398	639	864	1,209
High-speed rail and MAGLEV	27	140	221	258	305	646
Alcohol-related highway safety and other transportation capital	11	37	65	88	98	201
Airport improvement program.....	5	22	36	44	47	107
Air traffic control modernization.....	24	69	111	140	161	344
Public land highways and Indian reservation roads.....	5	38	99	153	200	295
High-speed rail bonds (tax incentive).....		1	4	11	20	16
Subtotal, Transportation.....	497	2,192	2,781	2,964	3,097	8,434
Environment:						
Drinking water state revolving funds (EPA)	24	172	440	692	840	1,328
Clean water state revolving funds (EPA)	54	344	900	1,402	1,666	2,700
Safety of dams on Indian reservations (Interior)	4	12	20	23	23	59
Water resources development (Corps of Engineers).....	77	147	160	160	160	544
Watershed resource restoration (EPA).....	15	34	43	47	49	139
Environmental restoration and waste management (DOE).....	8	35	70	107	146	220
Forests for the Future (USDA).....	24	46	50	50	50	170
Weather service modernization (NOAA)	84	86	70	50	-16	290
Environmental technology (EPA).....	14	46	84	127	175	271
Green programs (EPA).....	5	16	23	25	25	69
Natural resource protection and environmental infrastructure (Interior and USDA)	167	384	471	509	538	1,531
Tree planting initiative (USDA).....	33	64	73	76	79	246
National research initiative grants (USDA)	2	16	60	110	160	188
Forestry research initiative (USDA).....	16	56	84	105	122	261
Subtotal, Environment.....	527	1,458	2,548	3,483	4,017	8,016
Rural Development Initiative:						
Rural water and waste water loans and grants (USDA)	6	42	107	176	207	331
Business and community initiative (USDA).....	105	240	356	454	544	1,155
Subtotal, Rural Development Initiative.....	111	282	463	630	751	1,486
Energy:						
Alternative fuels vehicles	18	30	30	30	30	108
Energy efficiency in Federal buildings	49	152	270	329	342	800
Increase weatherization grants (DOE)	18	63	94	100	100	275
Close-out costs for DOE reactors	18	8	9	3	1	38
Energy conservation and renewable energy programs (Energy Policy Act).....	48	168	304	420	520	940
Natural gas research and development: Emphasize utilization.....	5	25	55	90	112	175
Advanced neutron source.....	11	50	116	243	439	420
Fusion energy research.....	9	39	72	90	95	210
Subtotal, Energy.....	176	535	950	1,305	1,639	2,966

Appendix

TABLE 5. INVESTMENT PROPOSALS—Continued

(In millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
Community Development and Defense Conversion:						
Community development block grant (CDBG).....	4	41	100	137	148	282
Office of Economic Adjustment for defense reinvestment and transition.....	9	17	20	20	20	66
Economic Development Administration for defense reinvestment and transition.....	3	16	33	44	53	96
Enterprise zones (tax incentive).....	73	347	772	1,228	1,699	2,420
Community development banks.....	45	93	106	110	114	354
Subtotal, Community Development and Defense Conversion.....	134	514	1,031	1,539	2,034	3,218
Technology and Business Reinvestment and Defense Conversion:						
NASA civil aviation.....	36	121	171	222	267	550
NASA short-haul aircraft research.....	3	10	17	20	20	50
Dual-use technology for defense reinvestment and transition (DOD).....	133	322	420	456	480	1,331
Federal Coordinating Council for Science, Engineering, and Technology (research initiatives).....	100	266	383	457	514	1,206
Crosscutting high performance computing (NSF, NIH, NASA, and NIST).....	53	158	253	320	362	784
National Inst of Standards and Technology growth.....	56	219	403	628	805	1,306
National labs (non-defense).....	14	35	47	50	50	146
Information highways (Commerce).....	6	42	98	129	150	275
National Science Foundation.....	134	451	758	954	1,100	2,297
Government automation and efficiency.....	204	652	850	943	735	2,649
Extend R&E tax credit (tax incentive).....	1,207	1,503	1,750	1,977	2,200	6,437
Subtotal, Technology and Business Reinvestment and Defense Conversion.....	1,946	3,779	5,150	6,156	6,683	17,031
Housing:						
100% vouchers (100,000 units).....	7	65	222	422	654	716
Preservation and restoration of assisted housing.....	37	155	282	384	519	858
Supportive housing program.....		22	81	138	183	241
Mortgage revenue bonds (tax incentive).....	104	145	160	172	174	581
Extend low-income housing tax credit (tax incentive).....	214	478	791	1,114	1,442	2,597
Real estate investment (tax incentive).....	254	387	164	17	-158	822
Urban Partnership Against Crime.....	6	52	116	138	133	312
Severely distressed public housing.....		17	68	121	167	206
HOPE youthbuild.....		5	19	34	48	58
Subtotal, Housing.....	622	1,326	1,903	2,540	3,162	6,391
SUBTOTAL, TAX INCENTIVES.....	1,852	2,861	3,641	4,519	5,377	12,873
SUBTOTAL, SPENDING INCENTIVES.....	2,161	7,225	11,185	14,098	16,006	34,669
TOTAL, REBUILD AMERICA.....	4,013	10,086	14,826	18,617	21,383	47,542

Appendix

TABLE 5. INVESTMENT PROPOSALS—Continued

(In millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
LIFELONG LEARNING						
WIC (Special supplemental food program for women, infants, and children).....	318	532	800	984	1,000	2,634
Parenting and Family Support.....	40	85	230	495	600	850
Head Start.....	932	1,886	2,790	3,676	4,562	9,284
Child Care and Development Block Grant.....	30	95	145	200	250	470
Education Reform and Initiatives.....	206	1,043	2,206	2,697	3,083	6,152
Employer Provided Education Assistance (tax incentive).....	425	458	492	528	565	1,903
National Service.....	98	1,042	1,890	3,000	3,400	6,030
Worker Training Initiatives:						
Dislocated Worker Assistance Act (for NAFTA, Defense Reinvestment and Transition, Energy Conversion, and Trade Adjustment).....	60	879	1,699	1,960	2,000	4,598
Job Corps: adopt "50–50 plan".....	11	32	96	202	344	341
Job Corps: eliminate maintenance backlog.....	7	20	32	45	50	104
JTPA, summer youth employment and training.....	247	540	625	625	625	2,037
One-stop career shopping.....	30	170	250	250	250	700
Older Americans employment.....	4	22	34	35	35	95
Youth apprenticeship.....	32	243	448	495	500	1,218
Worker profiling.....	6	3				9
Targeted jobs tax credit (tax incentive).....	170	327	406	496	605	1,399
Subtotal, Worker Training Initiatives.....	567	2,236	3,590	4,108	4,409	10,501
SUBTOTAL, TAX INCENTIVES.....	595	785	898	1,024	1,170	3,302
SUBTOTAL, SPENDING INCENTIVES.....	2,021	6,592	11,245	14,664	16,699	34,522
TOTAL, LIFELONG LEARNING.....	2,616	7,377	12,143	15,688	17,869	37,824
REWARDING WORK						
Earned income tax credit (tax incentive).....	525	6,228	6,445	6,662	6,927	19,860
Extension of unemployment compensation.....	2,400					2,400
Crime Initiative, including Community Policing, Criminal Records Upgrades, and Police Corps.....	210	521	725	842	918	2,298
Equal Employment Opportunity Commission.....	10	17	18	18	18	63
SUBTOTAL, TAX INCENTIVES.....	525	6,228	6,445	6,662	6,927	19,860
SUBTOTAL, SPENDING INCENTIVES.....	2,620	538	743	860	936	4,761
TOTAL, REWARDING WORK.....	3,145	6,766	7,188	7,522	7,863	24,621
HEALTH CARE						
AIDS, women's health, immunizations, NIH research, and other public health initiatives.....	346	1,660	2,806	3,370	4,251	8,182
AIDS—Ryan White Act.....	60	192	305	392	445	949
Substance abuse prevention and treatment.....	46	207	456	797	933	1,506
Food safety initiative (USDA) and emergency food assistance....	54	98	101	102	103	355
Food Stamps.....	1,000	2,000	3,000	3,000	3,000	9,000
Low-income Home Energy Assistance Program.....		316	649	982	998	1,947

Appendix

TABLE 5. INVESTMENT PROPOSALS—Continued

(In millions of dollars)

	1994	1995	1996	1997	1998	1994– 1997 Total
Rural Health Initiative	50	55	10			115
VA medical care	279	663	733	800	861	2,475
Improving disability insurance processing	120	200	200	200	200	720
Health Insurance Deduction for Self-employed (tax incentive)	313					313
SUBTOTAL, TAX INCENTIVES	313					313
SUBTOTAL, SPENDING INCENTIVES	1,955	5,391	8,260	9,643	10,791	25,249
TOTAL, HEALTH CARE	2,268	5,391	8,260	9,643	10,791	25,562
PRIVATE-SECTOR INCENTIVES						
Investment Tax Incentives:						
Targeted capital gains exclusion (tax incentive)	12	93	155	207	247	467
Earned income tax credit (EITC) (tax incentive)	(525)	(6,228)	(6,445)	(6,662)	(6,927)	(19,860)
Mortgage revenue bonds (tax incentive)	(104)	(145)	(160)	(172)	(174)	(581)
High-speed rail bonds (tax incentive)		(1)	(4)	(11)	(20)	(16)
Extend R&E tax credit (tax incentive)	(1,207)	(1,503)	(1,750)	(1,977)	(2,200)	(6,437)
Extend low-income housing tax credit (tax incentive)	(214)	(478)	(791)	(1,114)	(1,442)	(2,597)
Small business investment tax credit (tax incentive)	2,795	3,133	3,027	3,309	3,501	12,264
Alternative minimum tax depreciation preference (tax incentive)	188	307	396	404	273	1,295
Temporary incremental investment tax credit (tax incentive)	6,399	3,584	107	-961	-572	9,129
Small issue manufacturing bonds (tax incentive)	14	28	35	37	37	114
Alternative minimum tax exception for gifts of appreciated property (tax incentive)	70	73	75	77	79	295
Railroad retirement fund transfer (tax incentive)						
Small business credit availability	60	131	153	157	160	501
SUBTOTAL, TAX INCENTIVES	9,478	7,218	3,795	3,073	3,565	23,564
SUBTOTAL, SPENDING INCENTIVES	60	131	153	157	160	501
TOTAL, PRIVATE-SECTOR INCENTIVES	9,538	7,349	3,948	3,230	3,725	24,065
TAX INCENTIVES, ALL CATEGORIES	12,763	17,092	14,779	15,278	17,039	59,912
SPENDING INCENTIVES, ALL CATEGORIES	8,817	19,877	31,586	39,422	44,592	99,702
TOTAL, ALL CATEGORIES	21,580	36,969	46,365	54,700	61,631	159,614

Appendix

TABLE 6. REVENUE AND RECEIPTS PROPOSALS

(In billions of dollars)

	1993	1994	1995	1996	1997	1998	1994- 1997 Total
Revenue Raising Proposals:							
Raise individual income taxes for upper incomes	1.8	27.7	19.9	22.9	26.3	27.7	96.8
Repeal HI taxable wage base		2.8	6.0	6.4	6.8	7.2	22.0
Increase top income tax rate on large corporations to 36%	0.4	7.7	5.4	5.5	5.7	5.8	24.4
Broad based energy tax ¹		1.5	8.9	16.4	22.3	22.4	49.0
Cap possessions tax credit (sec. 936) at 65% of wages		0.2	0.9	1.6	2.1	2.2	4.8
Service industry non-compliance initiative		0.1	0.6	1.3	1.9	2.2	4.0
Tax Identification Number (TIN) validation		*	*	*	0.1	0.1	0.1
Disallow unreasonable claims		0.3	0.6	0.4	0.3	0.3	1.6
Restrict deduction for business meals and entertainment to 50%		1.8	3.2	3.4	3.7	4.0	12.1
Reduce pension compensation cap		0.3	0.8	0.8	0.9	0.9	2.7
Mark to market for security dealers		0.5	1.1	1.1	1.1	0.7	3.8
Disallow moving deductions for meals and real-estate expenses		0.1	0.4	0.4	0.4	0.4	1.3
Extend 2.5 cent per gallon gas tax				2.6	2.6	2.6	5.2
Extend 53% and 55% estate tax rate		0.5	0.5	0.6	0.6	0.6	2.1
Deny deduction for club dues		0.1	0.2	0.3	0.3	0.3	0.9
Prohibit double-dip related to FSLIC assistance	0.8	0.6	0.1	*	0.2	0.1	0.9
Deny lobbying deductions		0.1	0.2	0.2	0.2	0.2	0.7
Deny deduction for executive pay over \$1 million.	-*	0.1	0.1	0.1	0.2	0.1	0.5
International tax provisions	*	0.8	1.6	1.9	2.1	2.2	6.5
Miscellaneous revenue raising provisions		0.8	0.1	-0.2	0.2	0.2	1.0
Subtotal, revenue raising proposals	2.9	46.1	50.6	65.9	77.9	80.3	240.4
Investment/stimulus	-6.4	-12.8	-17.1	-14.8	-15.3	-17.0	-59.9
Total, net revenue proposals	-3.6	33.3	33.5	51.1	62.6	63.3	180.5
Other provisions affecting receipts:							
IRS initiative		*	0.1	0.3	0.6	0.6	0.9
Commodity Futures Trading Commission fee		0.1	0.1	0.1	0.1	0.1	0.2
Harbor maintenance tax		*	*	0.1	0.1	0.1	0.2
Inland waterway tax		*	0.1	0.2	0.5	0.5	0.8
SEC registration fee		*	*	*	*	0.1	0.2
Federal pay raise (receipt effect)		-0.1	-0.1	-0.1	-0.1	-0.1	-0.4
Federal FTE levels (receipt effect)		-*	-0.1	-0.1	-0.1	-0.1	-0.2
Total, other provisions		0.1	0.2	0.5	1.0	1.0	1.7
Addendum:							
Total, net revenue proposals	-3.6	33.3	33.5	51.1	62.6	63.3	180.5
Total, other provisions		0.1	0.2	0.5	1.0	1.0	1.7
Tax 85% of social security benefits		2.7	5.6	6.2	6.9	7.7	21.4
Corporate estimated tax rules					3.9	0.8	3.9
TOTAL, REVENUE AND RECEIPTS PROPOSALS.	-3.6	36.1	39.3	57.8	74.4	72.8	207.5

* \$50 million or less.

¹ The impact of this proposal is offset for low-income families by increases in the low-income home energy assistance program and food stamps that are reflected elsewhere.

Appendix

TABLE 7. BUDGET OUTLAYS BY FUNCTION

(In billions of dollars)

Function	Estimate					
	1993	1994	1995	1996	1997	1998
National defense.....	292.9	277.3	272.3	264.9	249.2	252.7
International affairs.....	19.3	18.7	18.7	18.2	18.0	18.4
General science, space and technology.....	17.2	18.1	19.7	20.7	21.6	22.2
Energy.....	4.9	3.4	4.1	4.5	4.2	4.0
Natural resources and environment.....	22.1	21.9	22.8	23.3	23.7	23.7
Agriculture.....	21.6	16.1	13.8	12.2	10.9	11.5
Commerce and housing credit.....	13.6	14.0	0.6	-10.5	-10.2	-7.0
Transportation.....	36.9	39.8	40.4	41.3	42.7	43.7
Community and regional development.....	10.8	11.1	10.4	9.7	9.5	9.7
Education, training, employment, and social services.....	53.4	53.8	56.6	56.1	62.7	65.5
Health.....	105.3	118.3	133.3	149.6	166.8	185.4
Medicare.....	132.7	147.2	162.8	179.0	195.2	213.6
Income security.....	208.8	214.3	221.5	229.7	240.4	249.1
Social security.....	305.0	321.0	336.7	351.3	367.4	383.1
Veterans benefits and services.....	35.7	37.8	37.5	37.0	39.1	40.0
Administration of justice.....	15.3	15.9	17.2	17.4	17.7	18.2
General government.....	14.8	14.4	15.6	15.5	15.7	15.8
Net interest.....	202.1	212.0	227.2	243.3	257.4	272.7
Allowances.....	*	-3.3	-6.1	-7.2	-8.9	-9.1
Undistributed offsetting receipts.....	-37.3	-39.0	-40.7	-43.2	-45.6	-46.1
Total outlays.....	1,475.1	1,513.0	1,564.5	1,612.8	1,677.5	1,767.0

* \$50 million or less.

Appendix

TABLE 8. BUDGET OUTLAY TOTALS BY AGENCY

(In billions of dollars)

	Estimate					
	1993	1994	1995	1996	1997	1998
Cabinet Agencies:						
Agriculture.....	67.0	63.6	63.9	65.2	65.0	65.9
Commerce.....	3.1	3.2	3.4	3.7	3.9	4.2
Defense.....	279.5	264.1	258.9	251.4	235.8	239.5
Education.....	30.9	31.0	30.6	26.6	30.2	30.8
Energy.....	16.9	15.8	16.9	17.0	16.8	16.9
Health and Human Services.....	591.7	639.6	686.3	735.2	789.8	845.4
Housing and Urban Development.....	26.0	28.9	29.9	29.9	30.2	30.7
Interior.....	7.5	7.2	7.1	7.2	7.1	7.3
Justice.....	10.5	10.4	11.0	10.8	10.5	10.8
Labor.....	46.8	37.8	36.1	37.6	38.4	39.1
State.....	5.7	5.6	5.7	5.9	5.9	6.1
Transportation.....	36.5	39.2	39.6	40.4	41.6	42.6
Treasury.....	302.4	319.9	344.6	368.9	390.7	414.6
Veterans Affairs.....	35.4	37.1	36.4	35.8	37.7	38.4
Major Agencies:						
Corps of Engineers, Military Retirement and Other Defense.....	29.5	30.7	31.8	33.1	34.2	35.4
Deposit Insurance Agencies.....	6.9	7.8	-4.2	-12.7	-11.5	-7.5
Environmental Protection Agency.....	6.5	6.7	6.9	7.0	7.2	7.4
Executive Office of the President.....	0.2	0.3	0.3	0.3	0.3	0.3
Federal Emergency Management Agency.....	3.2	1.8	1.2	0.9	0.8	0.7
Funds Appropriated to the President.....	11.9	11.8	11.5	11.1	10.8	10.8
General Services Administration.....	1.3	0.9	1.4	0.4	0.3	0.1
Judicial Branch.....	2.6	2.6	2.7	2.8	2.9	3.0
Legislative Branch.....	2.8	2.9	3.0	3.1	3.2	3.3
National Aeronautics and Space Administration.....	14.1	14.7	15.5	15.9	16.3	16.6
National Science Foundation.....	2.9	3.0	3.3	3.7	4.0	4.2
Office of Personnel Management.....	37.2	38.8	39.9	43.6	46.8	49.3
Postal Service.....	1.6	2.2	1.3	-0.6	-1.0	-1.3
Railroad Retirement Board.....	4.7	4.7	4.7	4.7	4.7	4.7
Small Business Administration.....	1.0	0.8	0.4	0.4	0.4	0.4
All Other Agencies.....	7.8	7.7	9.3	8.3	8.5	9.2
Undistributed Offsetting Receipts.....	-119.3	-127.5	-135.0	-144.6	-153.9	-162.0
Total outlays.....	1,475.1	1,513.0	1,564.5	1,612.8	1,677.5	1,767.0

Appendix

TABLE 9. TOTAL FULL-TIME EQUIVALENT EMPLOYMENT

(Full-time equivalent employment in thousands)

Agency	1993 base	Estimate					1993 base to 1997 change
		1993	1994	1995	1996	1997	
Cabinet Agencies:							
Agriculture.....	112.5	111.4	109.7	108.0	107.0	105.4	-7.0
Commerce.....	36.4	36.0	35.5	34.9	34.9	34.9	-1.5
Defense.....	927.2	917.8	895.2	865.2	842.2	832.2	-95.0
Education.....	5.0	4.9	4.8	4.8	4.8	4.8	-0.2
Energy.....	20.0	19.8	19.5	19.2	19.2	19.2	-0.8
Health and Human Services.....	130.0	128.7	126.7	124.8	124.8	124.8	-5.2
Housing and Urban Development.....	13.5	13.4	13.2	12.9	12.9	12.9	-0.5
Interior.....	77.9	77.2	76.0	74.8	74.8	74.8	-3.1
Justice.....	98.4	97.4	95.9	94.4	94.4	94.4	-3.9
Labor.....	19.8	19.6	19.3	19.0	19.0	19.0	-0.8
State.....	26.0	25.8	25.4	25.0	25.0	25.0	-1.0
Transportation.....	71.1	70.4	69.3	68.2	68.2	68.2	-2.8
Treasury.....	163.2	161.6	159.1	156.7	156.7	156.7	-6.5
Veterans Affairs.....	230.4	228.1	224.6	221.2	221.2	221.2	-9.2
Other Agencies:							
Agency for International Development.....	4.4	4.3	4.3	4.2	4.2	4.2	-0.2
Corps of Engineers.....	27.4	27.2	26.8	26.3	26.3	26.3	-1.1
Environmental Protection Agency.....	17.9	17.7	17.5	17.2	17.2	17.2	-0.7
Equal Employment Opportunity Commission.....	2.8	2.8	2.8	2.7	2.7	2.7	-0.1
Federal Emergency Management Agency.....	2.7	2.6	2.6	2.5	2.5	2.5	-0.1
Financial Institutions (FDIC/RTC).....	16.1	15.9	15.2	13.8	11.3	8.8	-7.2
General Services Administration.....	22.7	22.5	22.1	21.8	21.8	21.8	-0.9
National Aeronautics and Space Administration.....	24.9	24.7	24.3	23.9	23.9	23.9	-1.0
National Archives and Records Administration.....	2.8	2.7	2.7	2.6	2.6	2.6	-0.1
National Labor Relations Board.....	2.1	2.1	2.1	2.1	2.1	2.1	-0.1
Nuclear Regulatory Commission.....	3.4	3.3	3.3	3.2	3.2	3.2	-0.1
Office of Personnel Management.....	6.1	6.0	5.9	5.9	5.9	5.9	-0.2
Panama Canal Commission.....	8.7	8.6	8.5	8.4	8.4	8.4	-0.3
Securities and Exchange Commission.....	2.7	2.7	2.7	2.6	2.6	2.6	-0.1
Small Business Administration.....	4.7	4.6	4.6	4.5	4.5	4.5	-0.2
Smithsonian Institution.....	4.9	4.8	4.8	4.7	4.7	4.7	-0.2
Tennessee Valley Authority.....	19.1	18.6	18.5	18.4	18.4	18.4	-0.8
United States Information Agency.....	8.7	8.6	8.5	8.3	8.3	8.3	-0.3
Other small agencies.....	22.0	21.8	21.3	20.9	20.9	20.8	-1.2
Total, executive branch.....	2,135.5	2,113.7	2,072.5	2,023.3	1,996.8	1,982.7	-152.8
FTE reduction from the base.....		21.8	63.0	112.2	138.7	152.8	
Percentage reduction from the base.....		1.0	2.9	5.3	6.5	7.2	
Percentage reduction target/1993-1997 FTE reduction target.....		1.0	2.5	4.0	4.0	4.0	-100.0

Appendix

TABLE 10. BUDGET BY BEA CATEGORY

(In billions of dollars)

	1993	1994	1995	1996	1997	1998
Discretionary:						
Defense	294.3	277.8	273.1	265.5	249.7	253.3
Nondefense	261.7	270.4	282.1	292.6	302.4	312.5
Subtotal, Discretionary	556.0	548.2	555.2	558.1	552.1	565.8
Mandatory	717.0	752.7	782.1	811.5	868.0	928.5
Net interest	202.1	212.0	227.2	243.3	257.4	272.7
Total, Outlays	1,475.1	1,513.0	1,564.5	1,612.8	1,677.5	1,767.0
Revenues	1,143.2	1,250.5	1,322.8	1,407.5	1,471.0	1,525.6
Deficit	331.9	262.5	241.7	205.3	206.5	241.4
Addendum:						
On-Budget Deficit (+)	376.7	324.0	314.0	291.6	301.4	347.3
Off-Budget Surplus (-)	-44.9	-61.6	-72.3	-86.3	-94.9	-105.8

Appendix

TABLE 11. CHANGE FROM JANUARY TO CURRENT BASELINE

(In billions of dollars)

	1993	1994	1995	1996	1997	1998
January Uncapped Baseline Deficit	327.3	309.1	307.1	324.4	384.1	426.4
Bush defense proposals ¹	0.0	-4.2	-9.8	-16.3	-22.3	-28.7
Uncapped Baseline with Bush defense.....	327.3	304.9	297.2	308.1	361.8	397.7
Changes due to revised economic assumptions:						
Discretionary inflation:						
Defense	0.0	-0.5	-1.9	-4.2	-7.0	-9.9
Nondefense	0.0	-0.4	-1.7	-3.7	-6.1	-8.7
Mandatory outlays	-1.3	-2.2	-7.2	-15.9	-24.7	-35.0
Net interest:						
Rates	-0.5	-6.7	-13.4	-15.5	-17.9	-22.0
Debt service	0.1	0.2	0.3	-0.1	-0.9	-1.5
Subtotal, outlays	-1.7	-9.5	-24.0	-39.4	-56.5	-77.1
Receipts (+ equals decrease)	4.4	12.7	21.6	28.2	42.7	70.1
Subtotal, changes due to revised economic assumptions.....	2.7	3.2	-2.4	-11.2	-13.8	-7.0
Changes due to technical reestimates:						
Defense discretionary	3.6	0.0	0.0	0.0	0.0	0.0
Nondefense discretionary	-1.3	-0.3	-1.3	-2.3	-2.3	-2.6
Mandatory:						
Deposit insurance	-8.6	-8.2	3.1	2.4	0.1	-0.4
Other.....	-0.4	-1.4	-1.4	-0.8	-0.5	-1.4
Subtotal, mandatory.....	-9.0	-9.6	1.7	1.6	-0.5	-1.8
Net interest:						
FFB (deposit insurance and other).....	0.2	0.9	1.2	1.1	1.0	1.0
Interest on the public debt.....	-0.4	-0.1	*	0.4	1.1	3.8
Debt service	-0.3	-0.8	-1.1	-1.2	-1.5	-1.8
Subtotal, outlays	-7.2	-9.9	0.6	-0.4	-2.1	-1.5
Receipts (+ equals decrease)	-3.6	3.2	0.5	0.6	0.4	0.5
Subtotal, changes due to technical reestimates.....	-10.8	-6.8	1.0	0.2	-1.7	-1.0
Total, changes due to revised economic assumptions and technical reestimates	-8.1	-3.6	-1.3	-11.0	-15.5	-8.0
Current Baseline Deficit.....	319.2	301.3	295.9	297.0	346.3	389.7

* \$50 million or less.

¹ Includes related debt service.

TABLE 12. CHANGE IN THE STRUCTURAL DEFICIT

(Fiscal years, in billions of dollars)

	Estimate					
	1993	1994	1995	1996	1997	1998
Baseline deficit.....	319.2	301.3	295.9	297.0	346.3	389.7
Cyclical component.....	66.8	51.6	36.3	24.0	16.8	16.1
Deposit insurance	6.9	7.9	-4.0	-12.5	-11.3	-7.3
Baseline structural deficit.....	245.5	241.8	263.6	285.5	340.8	380.9
Effect of policy proposals.....	12.7	-38.9	-54.2	-91.7	-139.8	-148.3
Proposed structural deficit.....	258.2	202.9	209.4	193.8	201.0	232.6

LONG-RANGE POLICY DEFICIT – CBO ECONOMICS WITHOUT HEALTH REFORM
(dollars in billions)

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	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current baseline.....	-319	-301	-296	-297	-346	-390	-428	-476	-526	-581	-639
Spending changes:											
Defense.....	0	-7	-12	-20	-37	-36	-37	-38	-39	-40	-41
Non-defense discretionary.....	1	-4	-10	-15	-20	-23	-24	-24	-25	-25	-26
Entitlements.....	-0	-6	-12	-24	-34	-39	-42	-45	-48	-52	-55
Savings from health care reform.....	0	0	0	0	0	0	0	0	0	0	0
Stimulus.....	8	6	2	1	0	0	0	0	0	0	0
Investment.....	0	9	20	32	39	45	46	47	48	49	51
Subtotal, spending changes.....	9	-2	-12	-27	-52	-53	-56	-60	-64	-68	-72
Debt service.....	0	-0	-3	-7	-14	-22	-31	-41	-53	-65	-79
Total spending changes.....	9	-3	-15	-34	-65	-75	-87	-101	-116	-132	-150
Revenue changes:											
Basic revenue increases.....	-3	-46	-51	-66	-83	-82	-86	-89	-93	-97	-101
Social security.....	0	-3	-6	-6	-7	-8	-8	-8	-9	-9	-9
Investment.....	6	13	17	15	15	17	18	19	19	20	21
Total revenue changes.....	4	-36	-39	-58	-74	-73	-76	-79	-83	-86	-90
Total deficit reduction.....	13	-39	-54	-92	-140	-148	-163	-180	-199	-219	-240
Policy deficits.....	-332	-262	-242	-205	-206	-241	-265	-295	-327	-362	-399
Debt held by the public:											
Baseline.....	3302	3608	3906	4206	4555	4948	5380	5859	6388	6972	7614
Policy.....	3314	3582	3826	4034	4243	4488	4756	5055	5385	5751	6153
Totals as percent of GDP:											
Baseline deficit.....	5.2%	4.6%	4.3%	4.1%	4.6%	5.0%	5.2%	5.6%	5.9%	6.3%	6.6%
Policy deficit.....	5.4%	4.0%	3.5%	2.9%	2.7%	3.1%	3.2%	3.5%	3.7%	3.9%	4.1%
Baseline debt.....	53.5%	55.4%	57.0%	58.4%	60.4%	62.9%	65.7%	68.6%	71.8%	75.1%	78.7%
Policy debt.....	53.7%	55.0%	55.8%	56.0%	56.3%	57.0%	58.1%	59.2%	60.5%	62.0%	63.6%
GDP.....	6172	6507	6855	7202	7543	7872	8192	8537	8901	9280	9674
Percent change.....	5.2%	5.4%	5.3%	5.1%	4.7%	4.4%	4.1%	4.2%	4.3%	4.3%	4.3%

LONG-RANGE POLICY DEFICIT – CEA ECONOMICS WITHOUT HEALTH REFORM
(dollars in billions)

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	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current baseline.....	-315	-294	-282	-276	-318	-348	-367	-404	-445	-491	-537
Spending changes:											
Defense.....	0	-7	-12	-20	-37	-36	-38	-39	-40	-41	-43
Non-defense discretionary.....	1	-4	-10	-15	-20	-23	-24	-24	-25	-26	-27
Entitlements.....	-0	-6	-12	-24	-34	-39	-42	-45	-49	-53	-57
Savings from health care reform.....	0	0	0	0	0	0	0	0	0	0	0
Stimulus.....	8	6	2	1	0	0	0	0	0	0	0
Investment.....	0	9	20	32	39	45	46	48	49	51	52
Subtotal, spending changes.....	9	-2	-12	-27	-52	-53	-57	-60	-65	-69	-74
Debt service.....	-1	-1	-4	-9	-16	-25	-33	-44	-56	-69	-84
Total spending changes.....	8	-4	-16	-36	-67	-78	-90	-104	-121	-138	-158
Revenue changes:											
Basic revenue increases.....	-3	-47	-52	-68	-86	-86	-91	-96	-101	-106	-111
Social security.....	0	-3	-6	-6	-7	-8	-9	-9	-9	-10	-10
Investment.....	6	13	17	15	16	18	19	20	21	22	23
Total revenue changes.....	4	-37	-40	-59	-77	-76	-81	-85	-89	-94	-98
Total deficit reduction.....	12	-41	-56	-95	-145	-154	-171	-189	-210	-232	-256
Policy deficits.....	-327	-253	-225	-181	-173	-193	-197	-214	-235	-259	-281
Debt held by the public:											
Baseline.....	3296	3593	3876	4153	4471	4820	5190	5595	6042	6534	7074
Policy.....	3308	3565	3791	3973	4146	4341	4540	4756	4993	5254	5538
Totals as percent of GDP:											
Baseline deficit.....	5.1%	4.5%	4.0%	3.7%	4.1%	4.2%	4.2%	4.4%	4.7%	4.9%	5.1%
Policy deficit.....	5.3%	3.9%	3.2%	2.5%	2.2%	2.4%	2.3%	2.4%	2.5%	2.6%	2.7%
Baseline debt.....	53.2%	54.7%	55.6%	56.3%	57.4%	58.6%	59.9%	61.4%	63.2%	65.0%	67.0%
Policy debt.....	53.4%	54.2%	54.3%	53.9%	53.3%	52.8%	52.4%	52.2%	52.2%	52.3%	52.5%
GDP.....	6192	6573	6976	7376	7785	8220	8660	9107	9567	10048	10557
Percent change.....	5.5%	6.1%	6.1%	5.7%	5.6%	5.6%	5.3%	5.2%	5.0%	5.0%	5.1%

LONG-RANGE POLICY DEFICIT – CEA ECONOMICS WITH HEALTH REFORM
(dollars in billions)

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	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current baseline.....	-315	-294	-282	-276	-318	-348	-367	-404	-445	-491	-537
Spending changes:											
Defense.....	0	-7	-12	-20	-37	-38	-38	-39	-40	-41	-43
Non-defense discretionary.....	1	-4	-10	-15	-20	-23	-24	-24	-25	-26	-27
Entitlements.....	-0	-6	-12	-24	-34	-39	-42	-45	-49	-53	-57
Savings from health care reform.....	0	0	-11	-23	-35	-49	-67	-87	-108	-130	-152
Stimulus.....	8	6	2	1	0	0	0	0	0	0	0
Investment.....	0	9	20	32	39	45	46	48	49	51	52
Subtotal, spending changes.....	9	-2	-23	-50	-87	-103	-124	-148	-172	-199	-225
Debt service.....	-1	-1	-5	-10	-19	-31	-43	-59	-78	-100	-126
Total spending changes.....	8	-4	-28	-60	-106	-133	-167	-207	-250	-299	-351
Revenue changes:											
Basic revenue increases.....	-3	-47	-52	-68	-86	-86	-91	-96	-101	-106	-111
Social security.....	0	-3	-6	-6	-7	-8	-9	-9	-9	-10	-10
Investment.....	6	13	17	15	16	18	19	20	21	22	23
Total revenue changes.....	4	-37	-40	-59	-77	-76	-81	-85	-89	-94	-98
Total deficit reduction.....	12	-41	-68	-120	-183	-210	-248	-292	-340	-393	-449
Policy deficits.....	-327	-253	-214	-157	-135	-138	-120	-112	-105	-98	-87
Debt held by the public:											
Baseline.....	3296	3593	3876	4153	4471	4820	5190	5595	6042	6534	7074
Policy.....	3308	3565	3779	3936	4072	4211	4333	4446	4553	4653	4744
Totals as percent of GDP:											
Baseline deficit.....	5.1%	4.5%	4.0%	3.7%	4.1%	4.2%	4.2%	4.4%	4.7%	4.9%	5.1%
Policy deficit.....	5.3%	3.9%	3.1%	2.1%	1.7%	1.7%	1.4%	1.2%	1.1%	1.0%	0.8%
Baseline debt.....	53.2%	54.7%	55.6%	56.3%	57.4%	58.6%	59.9%	61.4%	63.2%	65.0%	67.0%
Policy debt.....	53.4%	54.2%	54.2%	53.4%	52.3%	51.2%	50.0%	48.8%	47.6%	46.3%	44.9%
GDP.....	6192	6573	6976	7376	7785	8220	8660	9107	9567	10048	10557
Percent change.....	5.5%	6.1%	6.1%	5.7%	5.6%	5.6%	5.3%	5.2%	5.0%	5.0%	5.1%

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STIMULUS / INVESTMENT SAVING PROPOSALS: SUMMARY

Divider Title: _____

CONTENTS

Stimulus Proposals

Investment Proposals

Entitlement Proposals

Non-Defense Discretionary Program Savings Proposals

STIMULUS OPTIONS

(in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
SELECTED STIMULUS OPTIONS	BA	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	BA	Obligations	OL				
INFRASTRUCTURE																		
Department of Defense -- Civil																		
Army Corps of Engineers water projects.....	94	94	28	---	66	---	---	---	---	---	---	---	---	66				
Department of Transportation																		
Federal highway program.....	---	2,976	316	---	1,895	---	405	---	103	---	64	---	---	2,467				
Airport improvement program.....	---	250	34	---	106	---	63	---	25	---	13	---	---	207				
AMTRAK.....	188	188	28	---	131	---	28	---	---	---	---	---	---	159				
Mass transit:														---				
Obligation Limitation.....	---	16	1	---	3	---	5	---	3	---	3	---	---	14				
1993 Supplemental.....	736	736	139	---	245	---	147	---	95	---	89	---	---	576				
Subtotal, Transportation.....	924	4,166	518	---	2,380	---	648	---	226	---	169	---	---	3,423				
Department of Veterans Affairs																		
Maintenance backlog.....	235	235	153	---	82	---	---	---	---	---	---	---	---	82				
SUBTOTAL, INFRASTRUCTURE.....	1,253	4,495	699	---	2,528	---	648	---	226	---	169	---	---	3,571				
SUMMER OF OPPORTUNITY																		
Department of Agriculture																		
Food & Nutrition Service:																		
Women, Infants, & Children (WIC)																		
supplemental feeding program.....	75	75	68	---	7	---	---	---	---	---	---	---	---	7				
The Emergency Food Assistance																		
Program (TEFAP).....	23	23	23	---	---	---	---	---	---	---	---	---	---	---				
Subtotal, Agriculture.....	98	98	91	---	7	---	---	---	---	---	---	---	---	7				

STIMULUS OPTIONS

(In millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
SELECTED STIMULUS OPTIONS	BA	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	BA	Obligations	OL		
<u>Department of Education</u>																		
Pell Grants unfunded shortfalls:																		
Fund current law for 1993-94 school year without borrowing from 1994 funds.....	653	653	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Fund shortfall caused in prior years without borrowing from 1994 funds.....	1,371	1,371	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Chapter 1:																		
Census supplemental.....	235	235	28	---	160	---	42	---	5	---	---	---	---	---	---	207		
Summer 1993 pre-school & school prgms.....	500	500	400	---	100	---	---	---	---	---	---	---	---	---	---	100		
Subtotal, Education.....	2,759	2,759	428	---	260	---	42	---	5	---	---	---	---	---	---	307		
<u>Department of Health and Human Services</u>																		
Head Start:																		
Head Start summer program.....	500	500	425	---	75	---	---	---	---	---	---	---	---	---	---	75		
Childcare feeding (Agriculture).....	56	56	48	---	8	---	---	---	---	---	---	---	---	---	---	8		
Immunization.....	300	300	236	---	64	---	---	---	---	---	---	---	---	---	---	64		
AIDS: Ryan White Act	200	200	152	---	48	---	---	---	---	---	---	---	---	---	---	48		
Subtotal, Health & Human Services.....	1,056	1,056	861	---	195	---	---	---	---	---	---	---	---	---	---	195		
<u>Department of the Interior</u>																		
Bureau of Indian Affairs:																		
Enhanced School Operations.....	49	28	28	21	17	---	4	---	---	---	---	---	---	---	21	21		
<u>Department of Labor</u>																		
Summer youth employment.....	1,000	1,000	660	---	340	---	---	---	---	---	---	---	---	---	---	340		
Worker profiling.....	14	14	9	---	5	---	---	---	---	---	---	---	---	---	---	5		
Community service employment for older Americans.....	32	32	6	---	23	---	3	---	---	---	---	---	---	---	---	26		
Extend Unemployment Compensation.....	4,000	4,000	4,000	---	---	---	---	---	---	---	---	---	---	---	---	---		
Offsets: Extension lowers spending on Extended Benefits program.....	---	---	-800	---	---	---	---	---	---	---	---	---	---	---	---	---		
Subtotal, Labor.....	5,046	5,046	3,875	---	368	---	3	---	---	---	---	---	---	---	---	371		

STIMULUS OPTIONS

(in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
<u>SELECTED STIMULUS OPTIONS</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>				
<u>Other Agencies</u>																		
National Service program.....	15	15	12	---	3	---	---	---	---	---	---	---	---	3				
Equal Employment Opportunity Commission.....	9	9	8	---	1	---	---	---	---	---	---	---	---	1				
Small Business Administration:																		
7(a) Loan guarantees -- loan levels.....	(2,575)	(2,575)	---	---	---	---	---	---	---	---	---	---	---	---				
Loan subsidy.....	141	141	42	---	99	---	---	---	---	---	---	---	---	99				
Subtotal, Other Agencies.....	165	165	62	---	103	---	---	---	---	---	---	---	---	103				
SUBTOTAL, SUMMER OF OPPORTUNITY.....	9,173	9,152	5,345	21	950	---	49	---	5	---	---	---	21	1,004				
TECHNOLOGY INVESTMENTS																		
<u>Department of Commerce</u>																		
National Inst. of Standards & Technology:																		
Advanced Technology Program.....	103	54	33	52	31	---	26	---	13	---	---	---	52	70				
Networking & Computing Applications.....	14	14	11	---	3	---	---	---	---	---	---	---	---	3				
National Oceanic & Atmospheric Admin.:																		
Equipment acquisition.....	81	81	67	---	14	---	---	---	---	---	---	---	---	14				
National Telecommunications & Info. Admin.																		
"Information Highways".....	64	38	3	28	31	---	30	---	---	---	---	---	28	61				
Subtotal, Commerce.....	262	187	114	80	79	---	56	---	13	---	---	---	80	148				
<u>Department of Health & Human Services</u>																		
National Institutes of Health:																		
Networking & computing applications.....	9	9	6	---	3	---	---	---	---	---	---	---	---	3				
Social Security Administration:																		
Disability Insurance (DI) processing.....	---	302	302	---	---	---	---	---	---	---	---	---	---	---				
Subtotal, Health & Human Services.....	9	311	308	---	3	---	---	---	---	---	---	---	---	3				

STIMULUS OPTIONS
(in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
<u>SELECTED STIMULUS OPTIONS</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>
<u>Department of the Treasury</u>																		
Accelerate Tax System Modernization (TSM).....	148	148	104	---	44	---	---	---	---	---	---	---	---	---	---	---	---	44
<u>Other Agencies</u>																		
National Aeronautics & Space Administration: Networking & computing applications.....	5	4	3	1	2	---	---	---	---	---	---	---	---	---	---	---	1	2
National Science Foundation Research and Development.....	188	150	85	38	75	---	28	---	---	---	---	---	---	---	---	---	38	103
Networking & computing applications.....	19	15	8	4	8	---	3	---	---	---	---	---	---	---	---	---	4	11
Subtotal, National Science Fdn.....	207	165	93	41	83	---	31	---	---	---	---	---	---	---	---	---	41	114
Subtotal, Other agencies.....	212	169	96	42	85	---	31	---	---	---	---	---	---	---	---	---	42	116
SUBTOTAL, TECHNOLOGY INVESTMENTS..	631	815	622	122	211	---	87	---	13	---	---	---	---	---	---	---	122	311
 URBAN DEVELOPMENT AND HOUSING INITIATIVE																		
<u>Department of Commerce</u>																		
Economic Development Administration.....	94	94	9	---	29	---	29	---	18	---	7	---	---	---	---	---	---	83
Minority Business Development Administration....	2	2	1	---	1	---	---	---	---	---	---	---	---	---	---	---	---	1
Subtotal, Commerce.....	96	96	10	---	30	---	29	---	18	---	7	---	---	---	---	---	---	84
<u>Department of Housing & Urban Development</u>																		
Accelerate Home Investment Partnership.....	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Accelerate Public Housing Modernization.....	---	---	83	---	173	---	263	---	260	---	171	---	---	---	---	---	---	867
Community Development Block Grants.....	2,536	2,536	659	---	1,319	---	558	---	---	---	---	---	---	---	---	---	---	1,877
Supportive Housing.....	423	423	127	---	211	---	85	---	---	---	---	---	---	---	---	---	---	296
Subtotal, HUD.....	2,959	2,959	869	---	1,703	---	906	---	260	---	171	---	---	---	---	---	---	3,040

STIMULUS OPTIONS (in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
<u>SELECTED STIMULUS OPTIONS</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>Obligations</u>	<u>OL</u>	<u>BA</u>	<u>Obligations</u>	<u>OL</u>
<u>Other Agencies</u>																		
District of Columbia.....	28	28	28	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
SUBTOTAL, URBAN DEVELOPMENT AND HOUSING INITIATIVE.....	3,083	3,083	907	---	1,733	---	935	---	278	---	178	---	---	---	---	---	---	3,124
RURAL DEVELOPMENT INITIATIVE																		
<u>Department of Agriculture</u>																		
Soil Conservation Service:																		
Watershed & conservation.....	47	47	24	---	23	---	---	---	---	---	---	---	---	---	---	---	---	23
Agricultural Research Service:																		
Enhanced facility maintenance.....	38	38	30	---	8	---	---	---	---	---	---	---	---	---	---	---	---	8
Enhanced natural resource protection.....	188	188	169	---	19	---	---	---	---	---	---	---	---	---	---	---	---	19
FmHA Very Low-income Housing Repair loans																		
Loan levels.....	(3)	(3)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Loan Subsidy.....	1	1	1	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
FmHA Very Low-income Housing Repair grants																		
1993 Supplemental.....	6	6	5	---	1	---	---	---	---	---	---	---	---	---	---	---	---	1
FmHA Single Family Housing Guaranteed Loans																		
Loan levels.....	(235)	(235)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Loan Subsidy.....	5	5	4	---	1	---	---	---	---	---	---	---	---	---	---	---	---	1
Food Safety and Inspection Service.....	4	4	4	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Rural Development Administration:																		
Loan Levels.....	(470)	(470)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Loan Subsidy.....	67	67	2	---	19	---	22	---	24	---	---	---	---	---	---	---	---	65
Grants.....	<u>281</u>	<u>282</u>	<u>6</u>	<u>---</u>	<u>67</u>	<u>---</u>	<u>84</u>	<u>---</u>	<u>124</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>275</u>
Subtotal, Agriculture.....	637	638	245	---	138	---	106	---	148	---	---	---	---	---	---	---	---	392

STIMULUS OPTIONS

(in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
SELECTED STIMULUS OPTIONS	BA	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	BA	Obligations	OL		
<u>Department of Interior</u>																		
Bureau of Indian Affairs: Economic development on Indian Reservations																		
Loan Levels.....	(48)	(48)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Loan Subsidy.....	6	6	6	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Road maintenance & facility repair.....	33	33	29	---	4	---	---	---	---	---	---	---	---	---	---	---	---	4
Subtotal, Interior.....	39	39	35	---	4	---	---	---	---	---	---	---	---	---	---	---	---	4
SUBTOTAL, RURAL DEVELOPMENT.....	676	677	280	---	142	---	106	---	148	---	---	---	---	---	---	---	---	396
ENVIRONMENT/ENERGY																		
<u>Department of Energy</u>																		
National Laboratories (CRADAs).....	47	47	22	---	19	---	7	---	---	---	---	---	---	---	---	---	---	26
Increase weatherization grants.....	47	47	14	---	26	---	7	---	---	---	---	---	---	---	---	---	---	33
Building and industrial conservation.....	19	19	10	---	9	---	---	---	---	---	---	---	---	---	---	---	---	9
Vehicle energy conversion.....	28	28	28	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Subtotal, Energy.....	141	141	74	---	54	---	14	---	---	---	---	---	---	---	---	---	---	68
<u>Department of Interior</u>																		
Enhanced natural resource protection.....	349	349	315	---	35	---	---	---	---	---	---	---	---	---	---	---	---	35
National Park Service: Historic preservation.....	23	23	14	---	9	---	---	---	---	---	---	---	---	---	---	---	---	9
Subtotal, Interior.....	372	372	329	---	44	---	---	---	---	---	---	---	---	---	---	---	---	44
<u>Other Agencies</u>																		
Environmental Protection Agency																		
Watershed resource restoration grants.....	47	47	23	---	15	---	8	---	---	---	---	---	---	---	---	---	---	23
Green programs.....	23	23	8	---	11	---	4	---	---	---	---	---	---	---	---	---	---	15
Wastewater State revolving fund.....	845	845	39	---	179	---	272	---	172	---	72	---	72	---	---	---	---	695
Subtotal, EPA.....	915	915	70	---	205	---	284	---	172	---	72	---	72	---	---	---	---	733

STIMULUS OPTIONS

(in millions of dollars)

	1993			1994			1995			1996			1997			1994-97 TOTAL		
SELECTED STIMULUS OPTIONS	BA	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	Obligations	OL	BA	Obligations	OL		
Multi-Agency Cross-Cutting Proposal																		
Federal buildings energy efficiency.....	19	19	11	---	7	---	1	---	---	---	---	---	---	---	---	8		
Subtotal, Other agencies.....	934	934	81	---	212	---	285	---	172	---	72	---	---	---	---	741		
SUBTOTAL, ENVIRONMENT/ENERGY.....	1,447	1,447	484	---	310	---	299	---	172	---	72	---	---	---	---	853		
TAX INCENTIVES																		
Investment tax credit and other tax stimulus provisions.....	6,442	6,442	6,442	---	---	---	---	---	---	---	---	---	---	---	---	---		
TOTALS, ALL CATEGORIES																		
SUBTOTAL, ALL SPENDING.....	16,262	19,669	8,337	143	5,874	---	2,124	---	842	---	419	---	---	---	143	9,259		
SUBTOTAL, LOAN LEVELS.....	3,331	3,331	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
LESS LOAN SUBSIDY.....	-220	-220	---	---	---	---	---	---	---	---	---	---	---	---	---	---		
SUBTOTAL, SPENDING + LOAN LEVELS.....	19,373	22,780	8,337	143	5,874	---	2,124	---	842	---	419	---	---	---	143	9,259		
SUBTOTAL, TAX INCENTIVES.....	6,442	6,442	6,442	---	---	---	---	---	---	---	---	---	---	---	---	---		
TOTAL.....	25,815	29,222	14,779	143	5,874	---	2,124	---	842	---	419	---	---	---	143	9,259		

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
REBUILD AMERICA – INFRASTRUCTURE												
Transportation												
Federal-aid highway program.....	2,621	402	2,182	1,736	1,803	1,847	1,370	1,631	1,405	1,402	7,976	5,616
Smart cars/smart highways (part of Federal-aid highway obligations).....	---	[70]	---	[85]	---	[90]	---	[100]	---	[100]	---	[345]
Mass transit formula capital grants.....	599	23	1,000	149	1,000	398	1,000	639	1,000	864	3,599	1,209
High-speed rail and MAGLEV.....	135	27	225	140	250	221	300	258	350	305	910	646
Alcohol-related highway safety and other transportation capital.....	67	11	100	37	100	65	100	88	100	98	367	201
Airport improvement program.....	30	5	50	22	50	36	50	44	50	47	180	107
Air traffic control modernization.....	120	24	200	69	200	111	200	140	200	161	720	344
Public land highways and Indian reservation roads.....	36	5	121	38	180	99	240	153	240	200	577	295
High-speed rail bonds (tax incentive).....	---	---	---	1	---	4	---	11	---	20	---	16
Subtotal, Transportation.....	3,608	497	3,878	2,192	3,583	2,781	3,260	2,964	3,345	3,097	14,329	8,434
Environment												
Drinking water state revolving funds (EPA).....	599	24	1,000	172	1,000	440	1,000	692	1,000	840	3,599	1,328
Clean water state revolving funds (EPA).....	1,198	54	2,000	344	2,000	900	2,000	1,402	2,000	1,666	7,198	2,700
Safety of dams on Indian reservations (Interior).....	18	4	30	12	30	20	30	23	30	23	108	59
Water resources development (Corps of Engineers).....	96	77	160	147	160	160	160	160	160	160	576	544
Watershed resource restoration (EPA).....	30	15	50	34	50	43	50	47	50	49	180	139
Environmental restoration and waste management (DOE).....	16	8	58	35	92	70	130	107	171	146	296	220
Forests for the Future (USDA).....	30	24	50	46	50	50	50	50	50	50	180	170
Weather service modernization (NOAA).....	155	84	37	86	66	70	35	50	-57	-16	293	290
Environmental technology (EPA).....	36	14	80	46	120	84	170	127	220	175	406	271
Green programs (EPA).....	15	5	25	16	25	23	25	25	25	25	90	69
Natural resource protection and environmental infrastructure (Interior and USDA).....	239	167	463	384	490	471	518	509	549	538	1,710	1,531
Tree planting initiative (USDA).....	41	33	71	64	74	73	77	76	80	79	263	246
National research initiative grants (USDA).....	30	2	100	16	150	60	200	110	250	160	480	188
Forestry research initiative (USDA).....	20	16	66	56	90	84	111	105	126	122	287	261
Subtotal, Environment.....	2,523	527	4,190	1,458	4,397	2,548	4,556	3,483	4,654	4,017	15,666	8,016
Rural Development Initiative												
Rural water and waste water loans and grants (USDA)...	145	6	242	42	242	107	242	176	242	207	871	331
Business and community initiative (USDA).....	393	105	656	240	656	356	656	454	656	544	2,361	1,155
Subtotal, Rural Development Initiative.....	538	111	898	282	898	463	898	630	898	751	3,232	1,486

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Energy												
Alternative fuels vehicles.....	18	18	30	30	30	30	30	30	30	30	108	108
Energy efficiency in Federal buildings.....	93	49	251	152	348	270	345	329	342	342	1,037	800
Increase weatherization grants (DOE).....	60	18	100	63	100	94	100	100	100	100	360	275
Close-out costs for DOE reactors.....	24	18	10	8	5	9	---	3	---	1	39	38
Energy conservation and renewable energy programs (Energy Policy Act).....	120	48	300	168	400	304	500	420	600	520	1,320	940
Natural gas research and development:												
Emphasize utilization.....	14	5	49	25	81	55	119	90	119	112	263	175
Advanced neutron source.....	26	11	89	50	169	116	359	243	600	439	643	420
Fusion energy research.....	20	9	70	39	91	72	95	90	96	95	276	210
Subtotal, Energy.....	375	176	899	535	1,224	950	1,548	1,305	1,887	1,639	4,046	2,966
Community Development and Defense Conversion												
Community development block grant (CDBG).....	90	4	150	41	150	100	150	137	150	148	540	282
Office of Economic Adjustment for defense reinvestment and transition.....	12	9	20	17	20	20	20	20	20	20	72	66
Economic Development Administration for defense reinvestment and transition.....	33	3	55	16	55	33	55	44	55	53	198	96
Enterprise zones (tax incentive).....	---	73	---	347	---	772	---	1,228	---	1,699	---	2,420
Community development banks.....	60	45	104	93	107	106	111	110	115	114	382	354
Subtotal, Community Development and Defense Conversion.....	195	134	329	514	332	1,031	336	1,539	340	2,034	1,192	3,218
Technology and Business Reinvestment and Defense Conversion												
NASA civil aviation.....	57	36	164	121	186	171	247	222	285	267	654	550
NASA short-haul aircraft research.....	5	3	13	10	20	17	20	20	20	20	58	50
Dual-use technology for defense reinvestment and transition (DOD).....	260	133	450	322	465	420	480	456	500	480	1,655	1,331
Federal Coordinating Council for Science, Engineering, and Technology (research initiatives).....	184	100	369	266	432	383	496	457	561	514	1,481	1,206
Crosscutting high performance computing (NSF, NIH, NASA, & NIST).....	96	53	230	158	300	253	370	320	370	362	996	784
National Inst of Standards and Technology growth.....	157	56	478	219	597	403	861	628	868	805	2,093	1,306
National labs (non-defense).....	30	14	50	35	50	47	50	50	50	50	180	146
Information highways (Commerce).....	54	6	150	42	150	98	150	129	150	150	504	275
National Science Foundation.....	331	134	773	451	944	758	1,054	954	1,206	1,100	3,102	2,297
Government automation and efficiency.....	244	204	817	652	972	850	978	943	700	735	3,011	2,649
Extend R&E tax credit (tax incentive).....	---	1,207	---	1,503	---	1,750	---	1,977	---	2,200	---	6,437
Subtotal, Technology and Business Reinvestment and Defense Conversion.....	1,418	1,946	3,494	3,779	4,116	5,150	4,706	6,156	4,710	6,683	13,734	17,031

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Housing												
100% vouchers (100,000 units).....	357	7	968	65	1,371	222	1,803	422	2,324	654	4,499	716
Preservation and restoration of assisted housing.....	546	37	908	155	900	282	893	384	883	519	3,247	858
Supportive housing program.....	180	---	300	22	300	81	300	138	300	183	1,080	241
Mortgage revenue bonds (tax incentive).....	---	104	---	145	---	160	---	172	---	174	---	581
Extend low-income housing tax credit (tax incentive).....	---	214	---	478	---	791	---	1,114	---	1,442	---	2,597
Real estate investment (tax incentive).....	---	254	---	387	---	164	---	17	---	-158	---	822
Urban Partnership Against Crime.....	90	6	150	52	150	116	150	138	150	133	540	312
Severely distressed public housing.....	175	---	284	17	276	68	268	121	260	167	1,003	206
HOPE youthbuild.....	48	---	80	5	80	19	80	34	80	48	288	58
Subtotal, Housing.....	1,396	622	2,690	1,326	3,077	1,903	3,494	2,540	3,997	3,162	10,657	6,391
SUBTOTAL, TAX INCENTIVES.....	---	1,852	---	2,861	---	3,641	---	4,519	---	5,377	---	12,873
SUBTOTAL, SPENDING INCENTIVES.....	10,053	2,161	16,378	7,225	17,627	11,185	18,798	14,098	19,831	16,006	62,856	34,669
TOTAL, REBUILD AMERICA.....	10,053	4,013	16,378	10,086	17,627	14,826	18,798	18,617	19,831	21,383	62,856	47,542

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
LIFELONG LEARNING												
WIC (Special supplemental food program for women, infants, and children).....	350	318	550	532	825	800	1,000	984	1,000	1,000	2,725	2,634
Parenting and Family Support.....	60	40	100	85	300	230	600	495	600	600	1,060	850
Head Start.....	1,432	932	2,325	1,886	3,231	2,790	4,116	3,676	5,001	4,562	11,104	9,284
Child Care and Development Block Grant.....	40	30	115	95	160	145	215	200	265	250	530	470
Education Reform and Initiatives.....	870	206	2,175	1,043	2,800	2,206	3,070	2,697	3,600	3,083	8,915	6,152
Employer Provided Education Assistance (tax incentive).....	---	425	---	458	---	492	---	528	---	565	---	1,903
National Service.....	389	98	1,250	1,042	2,400	1,890	3,400	3,000	3,400	3,400	7,439	6,030
Worker Training Initiatives												
Dislocated Worker Assistance Act (for NAFTA, Defense Reinvestment and Transition, Energy Conversion, and Trade Adjustment).....	1,198	60	2,000	879	2,000	1,699	2,000	1,960	2,000	2,000	7,198	4,598
Job Corps: adopt "50-50 plan".....	133	11	171	32	214	96	328	202	346	344	846	341
Job Corps: eliminate maintenance backlog.....	30	7	50	20	50	32	50	45	50	50	180	104
JTPA, summer youth employment and training.....	374	247	625	540	625	625	625	625	625	625	2,249	2,037
One-stop career shopping.....	150	30	250	170	250	250	250	250	250	250	900	700
Older Americans employment.....	21	4	35	22	35	34	35	35	35	35	126	95
Youth apprenticeship.....	269	32	500	243	500	448	500	495	500	500	1,769	1,218
Worker profiling.....	9	6	---	3	---	---	---	---	---	---	9	9
Targeted jobs tax credit (tax incentive).....	---	170	---	327	---	406	---	496	---	605	---	1,399
Subtotal, Worker Training Initiatives.....	2,184	567	3,631	2,236	3,674	3,590	3,788	4,108	3,806	4,409	13,277	10,501
SUBTOTAL, TAX INCENTIVES.....	---	595	---	785	---	898	---	1,024	---	1,170	---	3,302
SUBTOTAL, SPENDING INCENTIVES.....	5,325	2,021	10,146	6,592	13,390	11,245	16,189	14,664	17,672	16,699	45,050	34,522
TOTAL, LIFELONG LEARNING.....	5,325	2,616	10,146	7,377	13,390	12,143	16,189	15,688	17,672	17,869	45,050	37,824

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
REWARDING WORK												
Earned income tax credit (tax incentive).....	---	525	---	6,228	---	6,445	---	6,662	---	6,927	---	19,860
Extension of unemployment compensation.....	2,400	2,400	---	---	---	---	---	---	---	---	2,400	2,400
Equal Employment Opportunity Commission.....	11	10	18	17	18	18	18	18	18	18	65	63
Crime Initiative, including Community Policing, Criminal Records Upgrades, and Police Corps.....	390	210	700	521	850	725	900	842	950	918	2,840	2,298
SUBTOTAL, TAX INCENTIVES.....	---	525	---	6,228	---	6,445	---	6,662	---	6,927	---	19,860
SUBTOTAL, SPENDING INCENTIVES.....	2,801	2,620	718	538	868	743	918	860	968	936	5,305	4,761
TOTAL, REWARDING WORK.....	2,801	3,145	718	6,766	868	7,188	918	7,522	968	7,863	5,305	24,621
HEALTH CARE												
AIDS, women's health, immunizations, NIH research and other public health initiatives.....	1,272	346	2,739	1,660	3,321	2,806	3,911	3,370	5,203	4,251	11,243	8,182
AIDS - Ryan White Act.....	120	60	300	192	375	305	450	392	475	445	1,245	949
Substance abuse prevention and treatment	90	46	300	207	550	456	900	797	900	933	1,840	1,506
Food safety initiative (USDA) and emergency food assistance.....	58	54	101	98	102	101	103	102	104	103	364	355
Food Stamps.....	1,000	1,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	9,000	9,000
Low-income Home Energy Assistance Program.....	---	---	333	316	667	649	1,000	982	1,000	998	2,000	1,947
Rural Health Initiative.....	50	50	55	55	10	10	---	---	---	---	115	115
VA medical care.....	282	279	670	663	740	733	808	800	870	861	2,500	2,475
Improving disability insurance processing.....	120	120	200	200	200	200	200	200	200	200	720	720
Health Insurance Deduction for Self-employed (tax incentive).....	---	313	---	---	---	---	---	---	---	---	---	313
SUBTOTAL, TAX INCENTIVES.....	---	313	---	---	---	---	---	---	---	---	---	313
SUBTOTAL, SPENDING INCENTIVES.....	2,992	1,955	6,698	5,391	8,965	8,260	10,372	9,643	11,752	10,791	29,027	25,249
TOTAL, HEALTH CARE.....	2,992	2,268	6,698	5,391	8,965	8,260	10,372	9,643	11,752	10,791	29,027	25,562

INVESTMENT PROPOSALS

(in millions of dollars)

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
PRIVATE-SECTOR INCENTIVES												
Investment Tax Incentives:												
Targeted capital gains exclusion (tax incentive).....	---	12	---	93	---	155	---	207	---	247	---	467
Earned income tax credit (EITC) (tax incentive).....	---	[525]	---	[6,228]	---	[6,445]	---	[6,662]	---	[6,927]	---	[19,860]
Mortgage revenue bonds (tax incentive).....	---	[104]	---	[145]	---	[160]	---	[172]	---	[174]	---	[581]
High-speed rail bonds (tax incentive).....	---	---	---	[1]	---	[4]	---	[11]	---	[20]	---	[16]
Extend R&E tax credit (tax incentive).....	---	[1,207]	---	[1,503]	---	[1,750]	---	[1,977]	---	[2,200]	---	[6,437]
Extend low-income housing tax credit (tax incentive).....	---	[214]	---	[478]	---	[791]	---	[1,114]	---	[1,442]	---	[2,597]
Small business investment tax credit (tax incentive).....	---	2,795	---	3,133	---	3,027	---	3,309	---	3,501	---	12,264
Alternative minimum tax depreciation preference (tax incentive).....	---	188	---	307	---	396	---	404	---	273	---	1,295
Temporary incremental investment tax credit (tax incentive).....	---	6,399	---	3,584	---	107	---	-961	---	-572	---	9,129
Small issue manufacturing bonds (tax incentive).....	---	14	---	28	---	35	---	37	---	37	---	114
Alternative minimum tax exception for gifts of appreciated property (tax incentive).....	---	70	---	73	---	75	---	77	---	79	---	295
Railroad retirement fund transfer (tax incentive).....	---	---	---	---	---	---	---	---	---	---	---	---
Small business credit availability.....	92	60	158	131	162	153	166	157	170	160	578	501
SUBTOTAL, TAX INCENTIVES.....	---	9,478	---	7,218	---	3,795	---	3,073	---	3,565	---	23,564
SUBTOTAL, SPENDING INCENTIVES.....	92	60	158	131	162	153	166	157	170	160	578	501
TOTAL, PRIVATE-SECTOR INCENTIVES.....	92	9,538	158	7,349	162	3,948	166	3,230	170	3,725	578	24,065
TAX INCENTIVES, ALL CATEGORIES.....	---	12,763	---	17,092	---	14,779	---	15,278	---	17,039	---	59,912
SPENDING INCENTIVES, ALL CATEGORIES.....	21,263	8,817	34,098	19,877	41,012	31,586	46,443	39,422	50,393	44,592	142,816	99,702
TOTAL, ALL CATEGORIES.....	21,263	21,580	34,098	36,969	41,012	46,365	46,443	54,700	50,393	61,631	142,816	159,614

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
ELIMINATING SUBSIDIES, PORK: CHARGING FEES FOR GOVERNMENT SERVICES:						
Energy						
Reform Power Marketing Administration.....	---	---	-100	-100	-100	-200
Natural Resources and Environment						
Phase-in increased Inland Waterway user fees.....	-35	-115	-210	-460	-460	-820
Increase grazing fees: Agriculture Department.....	-2	-5	-8	-13	-19	-28
Increase grazing fees: Interior Department.....	-4	-8	-14	-22	-32	-48
Implement a Federal irrigation water surcharge.....	-10	-10	-10	-15	-15	-45
Increase recreation fees: Corps of Engineers.....	-18	-18	-18	-18	-18	-72
Increase recreation fees: Interior Department.....	-29	-34	-39	-45	-50	-147
Increase recreation fees: Agriculture Department.....	-10	-11	-12	-13	-13	-46
Permanently extend hardrock mining holding fees.....	-80	-80	-80	-80	-80	-320
Institute hardrock mining royalties.....	---	-63	-131	-277	-277	-471
Improve enforcement of harbor maintenance fees.....	-10	-25	-65	-65	-65	-165
Permanently extend 50% net receipt sharing (on-shore minerals).....	-40	-42	-43	-45	-47	-170
Below-cost timber sales (loss of receipts).....	38	48	58	58	58	202
Agriculture						
Eliminate subsidies to honey producers.....	-12	-10	-6	-4	-3	-32
Target CCC subsidies to farmers with off-farm incomes below \$100,000.....	-75	-115	-140	-140	-140	-470

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

<u>SAVINGS OPTIONS</u>	1994	1995	1996	1997	1998	1994-97 Total
Increase non-eligible payment acres (triple base) starting in FY 1996.....	---	---	-310	-720	-720	-1,030
Eliminate 0/92 & 50/92 (PAY/92) programs starting in FY 1996.....	---	---	-273	-664	-640	-937
Increase assessments on "non-program" crops starting in FY 1996.....	---	---	-450	-450	-450	-900
Limit payments on wool and mohair to \$50 thousand per person.....	-10	-68	-68	-66	-66	-212
Permanently extend market promotion program at FY 1993 level.....	-52	-52	-52	-52	-52	-208
Commerce and Housing Credit						
Assess examination fees for State-chartered, FDIC-insured banks.....	-255	-265	-275	-286	-297	-1,081
Institute Commodity Futures Trading Commission processing fees (revenue).....	-55	-57	-60	-63	-66	-235
Increase Securities and Exchange Commission registration fees (revenue).....	-44	-46	-48	-50	-52	-188
Permanently extend patent and trademark fees.....	---	---	-111	-115	-120	-226
Transportation						
Increase registration fee on general aviation aircraft.....	-18	-31	-44	-58	-60	-151
Permanently extend tonnage fees.....	---	---	-67	-68	-70	-135

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
Health						
Complete payment of outstanding postal liabilities: FEHB portion.....	---	-116	-116	-116	---	-348
Income Security						
Charge fee for State SSI administration.....	-50	-110	-180	-180	-190	-520
Administration of Justice						
Permanently extend U.S. Customs merchandise and passenger processing fees.....	---	---	-564	-579	-597	-1,143
Undistributed Offsetting Receipts						
Auction Federal Communications Commission spectrum.....	---	-374	-1,623	-2,083	-340	-4,080
Complete payment of outstanding postal liabilities: Cost-of-living adjustments for retirees.....	---	-231	-231	-231	---	-693
TOTAL, ELIMINATING SUBSIDIES, PORK: CHARGING FEES FOR GOVERNMENT SERVICES.....	-771	-1,838	-5,290	-7,020	-4,981	-14,919

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS:						
Agriculture						
Reform crop insurance program through area-yield (mandatory savings).....	---	-238	-246	-255	-264	-739
Reform commodity disaster payments.....	---	---	---	---	---	---
Commerce and Housing Credit						
Government National Mortgage Association: Real estate mortgage insurance conduits.....	-146	-146	-146	-146	-146	-584
Reform Federal Housing Administration insurance.....	-28	-66	-78	-81	-83	-253
Education, Training, Employment and Social Services						
Reform student loan program.....	171	213	-378	-1,343	-1,833	-1,337
Require States to share default costs.....	-80	-122	-126	-131	-137	-459
Income Security						
Conform CSRS/FERS child-survivor benefits age to Social Security.....	-5	-10	-15	-20	-25	-50
Base CSRS/FERS survivor annuities on reduced retiree annuity.....	-35	-70	-105	-140	-175	-350

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
Veterans Benefits and Services						
Restore 1:9 contribution ratio for GI Bill benefits.....	-68	-83	-90	-98	-108	-339
Implement housing down-payment for second and subsequent uses.....	-17	-17	-17	-17	-17	-68
Pay insurance administration from excess funds.....	-25	-28	-29	-31	-32	-113
Set housing loan fees at 2%.....	-153	-155	-155	-157	-165	-620
Permanently extend pensions-medicaid nursing homes provisions.....	---	---	---	---	-300	---
Permanently extend pension/medical care income verification through Internal Revenue Service.....	---	---	---	---	-197	---
Permanently extend medical care costs recovery.....	-46	-326	-391	-407	-425	-1,170
Permanently extend prescription charge/co-payment.....	---	---	---	---	-42	---
Permanently extend resale loan loss provisions.....	-19	-20	-20	-21	-22	-80
Administration of Justice						
Reform U.S. Customs overtime.....	-18	-18	-18	-18	-18	-72
General Government						
Implement Commonwealth of the Northern Mariana Islands funding agreement.....	-6	-7	-8	-10	-12	-31
Net Interest						
Shorten maturity of debt securities.....	-1,634	-2,660	-3,264	-3,919	-4,877	-11,477

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
Other						
FTE cut -- offsets - employer contributions.....	115	269	284	310	320	978
FTE cut -- offsets - employee contributions.....	29	67	71	77	80	244
Pay reduction -- related employee contributions.....	71	95	109	131	141	406
Increase revenues from IRS tax compliance efforts.....	-11	-74	-297	-554	-601	-936
TOTAL, MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS.....	-1,905	-3,396	-4,919	-6,830	-8,938	-17,050
CONTROLLING HEALTH CARE COSTS:						
Health						
Institute Medicare fee limits over-65: Federal Employees Health Benefits.....	-12	-18	-21	-24	-27	-75
Medicaid: Eliminate mandatory medicaid care.....	---	-1,190	-1,355	-1,540	-1,760	-4,085
Medicaid: Tighten estate asset rules.....	-25	-80	-135	-155	-170	-395
Medicaid: Remove prohibition on drug formularies.....	-10	-15	-20	-25	-30	-70
Medicare						
Pay hospitals for inpatient services by hospital- based physicians.....	---	-80	-150	-160	-180	-390

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

<u>SAVINGS OPTIONS</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>
Put hospitals on calendar year update.....	-1,000	-1,140	-1,180	-1,290	-1,420	-4,610
Gradually lower indirect medical education rate to 5.65%.....	---	---	-580	-1,360	-1,600	-1,940
Set laboratory rates at market levels.....	-390	-690	-890	-1,120	-1,390	-3,090
Eliminate skilled nursing facility return on equity payments.....	-110	-140	-150	-160	-170	-560
Durable medical equipment -- options.....	-75	-125	-150	-160	-175	-510
Set erythropoietin (EPO) at non-U.S. market rates (\$10 per 1000 units).....	-30	-40	-40	-50	-50	-160
Medicare secondary payor (MSP) reforms.....	-127	-240	-275	-305	-345	-947
Eliminate add-on for hospital based home health agency.....	-160	-200	-230	-250	-280	-840
Phase-in resource-based practice expense.....	-100	-350	-700	-875	-950	-2,025
Implement single fee for surgery.....	-50	-100	-110	-120	-130	-380
Discount for interactions.....	160	200	490	940	1,410	1,790
Reduce hospital update market basket minus 1% in 1994 and 1995.....	-550	-1,380	-1,560	-1,700	-1,860	-5,190
Permanently extend 10% capital reduction, outpatient department.....	---	---	-110	-150	-170	-260
Permanently extend 2% laboratory fee update.....	-30	-110	-220	-380	-570	-740
Permanently extend 10% capital reduction, Prospective Payment System neutral.....	---	---	-300	-380	-420	-680
Permanently extend Medicare Secondary Payer (MSP) for the disabled.....	---	---	-650	-960	-1,085	-1,610
Permanently extend MSP for End Stage Renal Disease after 18 months.....	---	---	-35	-35	-35	-70

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

<u>SAVINGS OPTIONS</u>	1994	1995	1996	1997	1998	1994-97 Total
Permanently extend Internal Revenue Service/Social Security Administration/Health Care Financing Administration data match.....	---	---	-45	-120	-205	-165
Permanently extend reduction of payments for hospital outpatient services by 5.8%.....	---	---	-425	-525	-600	-950
Third party liability -- Enhanced identification of other health coverage.....	---	-150	-250	-400	-450	-800
Direct medical education.....	-350	-340	-340	-330	-320	-1,360
Ban physician self referrals.....	---	-50	-100	-100	-100	-250
Reduce default Medicare volume performance and update.....	---	---	-200	-650	-1,225	-850
Reduce doctor fees in 1994 except primary care.....	-200	-300	-350	-400	-425	-1,250
Provide electronic billing incentive.....	---	---	-90	-175	-175	-265
Outpatient department cut at 10%.....	---	---	-315	-375	-425	-690
Medicare -- Maintain 1995 ratio of premium collections to program outlays with a 27% ceiling.....	---	---	-1,145	-3,870	-6,560	-5,015
TOTAL, CONTROLLING HEALTH CARE COSTS.....	-3,059	-6,538	-11,631	-17,204	-21,892	-38,432
SHARED CONTRIBUTION						
Health						
Medicaid: Equate matching rates for welfare program.....	-160	-400	-440	-490	-540	-1,490

PROPOSED ENTITLEMENT SAVINGS
(outlays in millions of dollars)

SAVINGS OPTIONS	1994	1995	1996	1997	1998	1994-97 Total
Social Security						
Retain Social Security threshold and tax 85% (revenue).....	-2,700	-5,600	-6,200	-6,900	-7,700	-21,400
Income Security						
Strengthen child support enforcement.....	-27	-80	-112	-109	-177	-328
Equate matching rates for welfare program.....	-40	-80	-90	-90	-90	-300
End lump-sum benefit.....	---	---	-2,100	-3,032	-3,197	-5,132
TOTAL, SHARED CONTRIBUTION.....	-2,927	-6,160	-8,942	-10,621	-11,704	-28,650
TOTAL, PROPOSED ENTITLEMENT SAVINGS.....	-8,662	-17,932	-30,782	-41,675	-47,515	-99,051
MEMORANDUM:						
Revenue items included above.....	-2,755	-5,755	-6,700	-7,884	-8,723	-23,094

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS

(in millions of dollars)

SAVINGS OPTIONS

1994		1995		1996		1997		1998		1994-97 Total	
BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL

PROGRAMS THAT DON'T WORK OR ARE NO LONGER NEEDED

Commerce

Eliminate Trade Adjustment Assistance for firms.....	-13	-1	-14	-5	-14	-10	-15	-14	-15	-14	-56	-30
Reduction in Export Administration workload.....	-6	-6	-7	-7	-7	-7	-7	-7	-7	-7	-27	-27

Health and Human Services

Fund priority health professions curriculum assistance grants.....	-27	-14	-28	-21	-29	-25	-30	-27	-31	-29	-114	-87
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State

Eliminate Russia/Eurasia research.....	-10	-1	-10	-8	-11	-10	-11	-10	-11	-11	-42	-29
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Environmental Protection Agency

Completion of wastewater treatment grants authorization (except NAFTA).....	-2,418	-109	-2484	-624	-2550	-1424	-2618	-1,947	-2,687	-2,207	-10,070	-4,104
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Appalachian Regional Commission

Freeze Appalachian Regional Commission.....	-6	-1	-13	-2	-20	-6	-28	-11	-35	-12	-67	-20
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Community Investment Program

Reforms in light of new crime initiative.....	---	---	-527	-211	-540	-411	-554	-532	-567	-550	-1,621	-1,154
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State Justice Institute

Terminate State Justice Institute.....	-14	-3	-15	-15	-15	-16	-16	-17	-16	-17	-60	-51
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Tennessee Valley Authority

Terminate TVA fertilizer and community development.....	-57	-42	-59	-46	-60	-50	-63	-50	-65	-52	-239	-188
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NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Multi-Agency												
Eliminate unnecessary nuclear reactor R&D.....	-228	-97	-237	-198	-264	-257	-274	-268	-286	-279	-1,003	-820
Terminate commissions.....	-9	-9	-10	-10	-11	-11	-11	-11	-11	-11	-41	-41
Subtotal, Programs That Don't Work or are No Longer Needed.....	-2,788	-283	-3,404	-1,147	-3,521	-2,227	-3,627	-2,894	-3,731	-3,189	-13,340	-6,551
 ELIMINATING SUBSIDIES, PORK: CHARGING FEES FOR GOVERNMENT SERVICES												
Agriculture												
Reduce Rural Electrification Administration 5-percent loan subsidies.....	-193	-27	-199	-77	-204	-120	-209	-150	-214	-171	-805	-374
Expand certain agriculture user fees.....	-14	-14	-14	-14	-15	-15	-16	-16	-16	-16	-59	-59
Eliminate Cooperative State Research Service (CSRS) earmarked research grants.....	-44	-4	-45	-18	-46	-32	-47	-42	-49	-46	-182	-96
Eliminate CSRS earmarked facilities construction.....	-53	-3	-55	-7	-56	-32	-58	-44	-59	-60	-222	-86
Eliminate earmarked special extension grants.....	-13	-13	-13	-13	-14	-14	-14	-14	-15	-15	-54	-54
Eliminate Agricultural Research Service earmarked facilities construction.....	-11	-1	-11	-6	-11	-7	-11	-10	-12	-10	-44	-24
Meat/Poultry fees: Reimbursement for overtime.....	-104	-104	-104	-104	-104	-104	-104	-104	-104	-104	-416	-416
Commerce												
Terminate NOAA demonstration projects.....	-65	-30	-67	-55	-70	-65	-72	-70	-74	-73	-274	-220

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Corps of Engineers												
Reduce construction funding for lower priority water projects.....	-150	-85	---	-70	-50	-30	-50	-50	---	-15	-250	-235
Energy												
Assess foreign customers decommissioning and decontamination fee (receipts).....	-10	-10	-10	-10	-11	-11	-11	-11	-12	-12	-42	-42
Health and Human Services												
Increase FDA user fees.....	-200	-167	-250	-230	-300	-285	-350	-336	-400	-387	-1,100	-1,018
Housing and Urban Development												
Eliminate special purpose grants.....	-268	-5	-278	-73	-287	-209	-297	-278	-308	-288	-1,130	-565
Interior												
Reduce construction funding for lower priority water projects.....	-22	-18	-44	-40	-66	-63	-37	-42	-20	-23	-169	-163
Transportation												
Eliminate low priority Transportation programs and projects.....	-361	-129	-370	-337	-380	-438	-389	-428	-391	-417	-1,500	-1,332
Treasury												
Establish Bureau of Alcohol, Tobacco, and Firearms user fee.....	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-20	-20
Small Business Administration												
Eliminate SBA earmarked grants.....	-55	-44	-75	-71	-94	-90	-114	-110	-117	-116	-338	-315

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Securities and Exchange Commission												
Increase SEC Registration Fees.....	-47	-47	-50	-50	-52	-52	-54	-54	-56	-56	-203	-203
Subtotal, Eliminating Subsidies, Pork:												
Charging Fees for Government Services.....	-1,615	-706	-1,590	-1,180	-1,765	-1,572	-1,838	-1,764	-1,852	-1,814	-6,808	-5,222
 MANAGING GOVERNMENT FOR COST-EFFECTIVENESS AND RESULTS												
Agriculture												
Reduce Enterprise for the Americas debt forgiveness (P.L. 480).....	-6	-6	-17	-17	-20	-20	-36	-36	-38	-38	-79	-79
Reduce development-oriented foreign food aid.....	-59	-30	-68	-63	-77	-72	-86	-81	-95	-90	-290	-246
Phase out below-cost timber sales (Forest Service).....	-46	-46	-59	-59	-83	-83	-86	-86	-86	-86	-274	-274
Implement one new Farm Service Organization.....	-68	-65	-142	-139	-222	-219	-310	-307	-406	-403	-742	-730
Reform crop insurance through area-yield.....	-105	-105	-110	-110	-165	-165	-171	-171	-177	-177	-551	-551
Reduce Economic Research Service programs.....	-15	-12	-16	-16	-17	-16	-17	-17	-18	-18	-65	-61
Reduce Foreign Agriculture Service programs.....	-10	-5	-10	-10	-10	-10	-10	-10	-10	-10	-40	-35
Reduce direct ACIF farm loans 25%; replace with guarantees.....	-3	-3	-10	-8	-10	-10	-10	-10	-11	-11	-33	-31
Education												
Reform campus-based aid.....	-200	-20	-237	-198	-273	-239	-310	-275	-348	-312	-1,020	-732
Phase out impact aid "b".....	-48	-39	-95	-86	-143	-134	-147	-145	-150	-149	-433	-404
Energy												
Stretchout Superconducting Super Collider.....	108	108	---	---	---	---	---	---	---	---	108	108
Implement Uranium enrichment initiative.....	-260	-241	-297	-274	-428	-374	-418	-386	-389	-340	-1,403	-1,275
Reduce Strategic Petroleum Reserve fill by one-third.....	---	-55	---	-58	---	-22	---	37	---	39	---	-98

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Housing and Urban Development												
Eliminate public housing new construction amendments.....	---	---	-65	---	-66	-7	-68	-36	-70	-58	-199	-43
Modify fees Federal housing.....	-6	-40	-11	-85	-18	-136	-24	-193	-25	-204	-59	-454
Reforming low-income housing preservation.....	-91	-5	-151	-15	-148	-37	-144	-58	-141	-80	-534	-115
Consolidate several HUD housing programs into HOME.....	-1,109	-1	-1,148	29	-1,189	-56	-1,230	-150	-1,273	-474	-4,676	-178
Justice												
Reduce prison construction.....	-71	-7	-114	-40	-250	-103	-260	-181	-269	-249	-695	-331
Transportation												
Maintain level Federal Aviation Administration (Operations).....	-62	-55	-62	-62	-62	-62	-62	-62	-62	-62	-248	-241
Adjust Coast Guard for military pay.....	-37	-29	-58	-53	-72	-69	-90	-86	-102	-99	-257	-237
Veterans Affairs												
Reform major construction.....	-146	-7	-151	-46	-157	-95	-162	-134	-167	-152	-616	-282
Improve management of VA hospitals.....	-100	-100	-200	-200	-300	-300	-400	-400	-500	-500	-1,000	-1,000
Environmental Protection Agency												
Increase private sector Superfund financing.....	-118	-31	-122	-73	-127	-95	-131	-109	-136	-118	-498	-308
National Aeronautics and Space Administration												
Redesign Space Station and invest in new technology.....	588	203	578	662	631	625	643	636	421	510	2,440	2,126
Small Business Administration												
Reduce 7(a) business loan subsidies.....	-96	-58	-120	-113	-123	-116	-126	-118	-129	-121	-465	-405
Board for International Broadcasting												
Consolidate overseas broadcasting.....	---	-60	---	-59	-238	-281	-244	-244	-250	-250	-482	-644

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Executive Office of the President												
Cut White House and Office of National Drug Control Policy staff.....	-30	-20	-33	-32	-38	-37	-41	-40	-44	-43	-142	-129
Funds Appropriated to the President												
Re-orient AID programs and reduce spending.....	-156	-7	-252	-84	-332	-152	-410	-257	-474	-341	-1,150	-500
Phase out defense acquisition fund.....	---	-23	---	-92	---	-138	---	-133	---	-86	---	-386
Reduce International Security Assistance.....	-316	-84	-675	-264	-883	-504	-1094	-731	-1260	-943	-2,968	-1,583
Reduce Enterprise for the Americas debt forgiveness (AID).....	-8	-8	-20	-20	-34	-34	-45	-45	-54	-54	-107	-107
Export Import Bank of the United States												
Reduce Export Import Bank credits.....	-20	-3	-40	-6	-189	-39	-190	-105	-192	-148	-439	-153
U.S. Information Agency												
Russian Far East Technical Assistance Center.....	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-8	-8
Terminate funding for North-South Center.....	-9	-4	-9	-9	-9	-9	-10	-10	-10	-10	-37	-32
Multi-Agency												
Freeze other foreign assistance programs.....	-38	-6	-47	-14	-81	-75	-98	-95	-112	-111	-264	-190
Maintain current program level for programs in small agencies.....	-22	-12	-43	-30	-72	-60	-104	-92	-135	-124	-241	-194
Freeze Federal Pay in FY94; COLA at ECI minus 1												
FY 95-97; revise locality pay beginning FY 95.....	-1,427	-1,361	-1,992	-1,963	-2,301	-2,281	-2,761	-2,741	-2,977	-2,965	-8,481	-8,346
Administrative Efficiencies:												
Cut 100,000 Federal employees.....	-932	-932	-2,180	-2,180	-2,306	-2,306	-2,509	-2,509	-2,591	-2,591	-7,927	-7,927
Other administrative savings.....	-676	-676	-1,392	-1,392	-2,169	-2,169	-3,462	-3,462	-3,553	-3,553	-7,699	-7,699
Reduce overhead rate on university R&D.....	-363	-156	-372	-330	-382	-369	-392	-383	-401	-396	-1,509	-1,238
Subtotal, Managing Government for Cost-Effectiveness												
and Results.....	-5,959	-4,003	-9,742	-7,511	-12,365	-10,271	-15,017	-13,227	-16,236	-14,819	-43,083	-35,012

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

1994		1995		1996		1997		1998		1994-97 Total	
<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>

STREAMLINING GOVERNMENT

Agriculture

Streamline programs.....	-65	-38	-86	-76	-107	-96	-128	-117	-149	-139	-386	-327
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Education

Education: Streamline programs and other program reform.....	-340	-70	-475	-318	-609	-486	-741	-620	-880	-758	-2,165	-1,494
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Energy

Increase Federal buildings energy efficiency.....	---	---	-1	-1	-3	-3	-7	-7	-12	-12	-11	-11
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Health and Human Services

HHS: Streamline programs.....	-308	-199	-656	-500	-991	-832	-1,330	-1,168	-1,681	-1,512	-3,285	-2,699
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Housing and Urban Development

HUD: Streamline selected HUD programs.....	-757	-104	-900	-265	-1,017	-443	-1,138	-621	-1,258	-822	-3,812	-1,433
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Justice

Department of Justice: Freeze grants and streamline training.....	-25	-25	-42	-19	-60	-38	-77	-56	-95	-73	-204	-138
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Labor

Streamline Labor programs.....	-53	-2	-106	-52	-157	-105	-211	-161	-265	-215	-527	-320
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Transportation

Dept of Transportation: Freeze grants, contracts and programs	-23	-10	-30	-25	-38	-33	-46	-44	-54	-54	-137	-112
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NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Treasury												
Treasury: Streamline programs.....	-53	-33	-62	-52	-68	-63	-73	-68	-76	-73	-256	-216
Veterans Affairs												
Increase Federal buildings energy efficiency.....	---	---	-1	-1	-3	-3	-6	-6	-10	-10	-10	-10
Corps of Engineers												
Army Corps of Engineers: Freeze selected programs.....	-22	-13	-43	-34	-64	-56	-86	-77	-108	-99	-215	-180
Environmental Protection Agency												
EPA: Freeze selected programs.....	-34	-10	-68	-38	-100	-70	-134	-103	-170	-137	-336	-221
Federal Emergency Management Agency												
FEMA: Streamline defense.....	-22	-20	-37	-28	-53	-46	-70	-62	-69	-66	-182	-156
FEMA: Streamline non-defense.....	-13	-7	-26	-18	-38	-31	-51	-44	-64	-57	-128	-100
Interstate Commerce Commission												
Streamline Interstate Commerce Commission.....	---	---	-2	-2	-3	-4	-5	-5	-7	-7	-10	-11
Legal Services Corporation												
Legal Services Corporation: Streamline programs.....	-10	-8	-19	-18	-29	-27	-38	-37	-48	-46	-96	-90
Neighborhood Reinvestment Corporation												
Neighborhood Reinvestment Corporation: Streamline programs.....	-1	-1	-2	-2	-3	-3	-4	-4	-5	-5	-10	-10
Pennsylvania Avenue Development Corporation												
Pennsylvania Avenue Development Corporation: Eliminate unneeded land acquisition.....	---	---	-7	-7	-8	-8	-8	-8	-8	-8	-23	-23

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

	1994		1995		1996		1997		1998		1994-97 Total	
	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>
Postal Service												
Postal Service: Straightline revenue forgone and reduce												
Postal subsidy by 25%.....	-33	-33	-36	-36	-40	-40	-43	-43	-46	-46	-152	-152
Railroad Retirement Board												
Railroad Retirement Board: Streamline programs.....	-1	-1	-2	-2	-4	-4	-4	-4	-5	-5	-11	-11
Small Business Administration												
Reduce SBA program levels.....	-34	-30	-39	-57	-43	-67	-45	-60	-48	-52	-161	-214
Subtotal, Streamlining Government.....	-1,794	-604	-2,640	-1,551	-3,438	-2,458	-4,245	-3,315	-5,058	-4,196	-12,117	-7,928

TECHNICAL ADJUSTMENTS

Agriculture

Reduce one-time Emergency Conservation Program

funding (USDA) from baseline..... -11 -9 -11 -10 -12 -10 -12 -10 -12 -11 -46 -39

Commerce

Outyear Funding for 2000 Decennial..... --- --- --- --- 6 5 57 53 273 257 63 58

Savings from downturn in Census activity..... -33 -30 -9 -11 --- --- --- --- --- --- -42 -41

Education

Education: Program Administration, Statistics & Assessment..... 148 66 112 122 149 131 122 135 148 134 531 454

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Energy												
Clean Coal Technology Baseline.....	---	---	---	---	-359	---	-368	-35	-377	-144	-727	-35
Uranium Supply and Enrichment.....	410	150	297	---	428	---	418	---	389	---	1,553	150
Superconducting Super Collider - Adjustment.....	---	64	---	---	---	---	---	---	---	---	---	64
Health and Human Services												
Transfer of Breast Cancer Research (from DoD).....	---	-105	---	-91	---	-74	---	-61	---	-48	---	-331
Interior												
Eliminate one-time Interior funding for disaster relief.....	-59	-58	-61	-60	-64	-64	-68	-68	-70	-70	-252	-250
Indian Land and Water Rights Claim Settlements.....	200	200	200	200	200	200	200	200	200	200	800	800
Bureau of Indian Affairs: Enhanced school operations.....	60	60	60	60	60	60	60	60	60	60	240	240
Justice												
Radiation compensation.....	---	---	---	---	1	1	1	1	---	---	2	2
FBI.....	56	41	61	55	67	64	74	71	80	78	258	231
Labor												
Bureau of Labor Statistics: Consumer Price Index revision.....	4	3	8	7	15	13	19	16	7	12	46	39
Worker adjustment in DOL baseline.....	-82	-57	-84	-74	-86	-82	-88	-85	-90	-87	-340	-298
Taining and employment services.....	-193	---	-198	-127	-203	-196	-208	-201	-213	-206	-802	-524
Unemployment Insurance administration workload adjustment.....	130	130	133	133	126	126	119	119	143	143	508	508
State												
Moscow embassy building: Technical adjustment.....	-144	-29	-148	-68	-151	-103	-155	-137	-159	-152	-598	-337
New Non-Proliferation.....	50	13	50	27	50	40	50	50	50	50	200	130
Pay United Nations Arrears.....	-115	---	-115	---	-50	---	---	---	---	---	-280	---
United Nation Assessments.....	74	73	123	122	179	177	147	146	214	213	523	518
Additional International Peacekeeping Requirements.....	146	112	45	25	32	33	19	20	5	6	242	190

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Transportation												
Coast Guard.....	110	104	119	122	127	127	136	135	145	144	492	488
Treasury												
United States Customs.....	29	29	30	29	30	30	31	31	32	32	120	119
Fund additional IRS tax compliance efforts.....	150	143	157	156	164	163	171	171	179	178	642	633
Environmental Protection Agency												
Eliminate one-time building projects.....	-98	-15	-100	-59	-103	-95	-105	-102	-108	-104	-406	-271
General Services Administration												
Former Presidents.....	1	1	1	1	1	1	1	1	1	1	4	4
GSA - Public Building Service, Const. & Maint.....	-21	---	-365	---	-380	---	-395	-130	-410	-222	-1,161	-130
GSA: Eliminate outyear baseline for Presidential Transition.....	-5	-5	-5	-5	-6	-6	---	---	-6	-6	-16	-16
Reduce budgets for FTS2000 Price Reduction.....	-85	-85	-86	-86	-91	-91	-93	-93	-96	-96	-355	-355
Office of Personnel Management												
FERS automated processing system.....	---	3	---	9	---	8	---	5	---	9	---	25
Funds Appropriated to the President												
International peacekeeping contributions.....	50	34	50	50	50	50	50	50	50	50	200	184
Payment of existing MDB commitments in outyears.....	130	28	99	34	151	33	139	45	23	60	519	140
Pay Multilateral Bank Arrears.....	---	43	---	59	---	45	---	37	---	34	---	184
Increase funding for International Development Association.....	198	53	171	102	144	145	212	216	184	253	725	516
Voluntary contributions to United Nations programs.....	41	27	32	37	24	31	15	34	6	23	112	129
Increase aid to former Soviet Union.....	300	57	300	192	200	236	100	209	---	132	900	694
Export Promotion: Trade and Development.....	19	4	19	12	19	17	19	19	19	19	76	52
Terminate Special Assistance for Central America.....	-29	-10	-31	-17	-32	-24	-32	-30	-33	-31	-124	-81

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

	1994		1995		1996		1997		1998		1994-97 Total	
	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL	BA	OL
Judiciary												
Judiciary supplemental increase and allowance.....	---	4	---	---	---	---	---	---	---	---	---	4
Arms Control and Disarmament Agency												
Arms Control and Disarmament Agency.....	16	10	8	11	---	4	---	---	---	---	24	25
Board for International Broadcasting												
RFE/RL Termination Costs.....	---	---	105	105	---	---	---	---	---	---	105	105
Miscellaneous savings.....	-6	-6	-6	-6	---	---	---	---	---	---	-12	-12
Chemical Safety Hazard and Investigation Board												
Establish the Chemical Safety and Hazard Investigation Board.....	5	3	5	5	5	5	5	5	5	5	20	18
Federal Communications Commission												
Federal Communications Commissions.....	---	1	---	---	---	---	---	---	---	---	---	1
Federal Emergency Management Agency												
Federal Emergency Management Agency.....	-53	-24	-53	-48	-53	-52	-52	-52	-52	-52	-211	-176
Federal Trade Commission												
Federal Trade Commission.....	1	1	1	1	2	2	3	3	3	3	7	7
National Archives and Records Administration												
National Archives and Records Administration	29	29	29	29	29	29	29	29	29	29	116	116
Securities and Exchange Commission												
Securities and Exchange Commission.....	34	29	34	33	32	31	31	31	31	30	131	124

NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS
(in millions of dollars)

SAVINGS OPTIONS

	1994		1995		1996		1997		1998		1994-97 Total	
	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>	<u>BA</u>	<u>OL</u>
U.S. Information Agency												
USIA Consolidation Adjustment.....	155	27	51	101	53	93	54	75	55	63	313	296
Increase National Endowment for Democracy.....	19	9	19	19	19	19	19	19	19	19	76	66
Subtotal, Technical Adjustments.....	1,631	1,118	1,047	1,196	773	1,122	725	982	724	1,008	4,176	4,418
TOTAL, all categories.....	-10,525	-4,478	-16,329	-10,193	-20,316	-15,406	-24,002	-20,218	-26,153	-23,010	-71,172	-50,295

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AGENCY TALKING PTS: SUMMARY

Divider Title: _____

AGENCY TALKING POINTS: SUMMARY

February 16, 1993

DEPARTMENT OF COMMERCE
1994 Budget Passback

Stimulus (1993)

- EDA. An increase of \$94M targeted to assist economically distressed communities.
- NOAA. An increase of \$81M will support weather service modernization and procurement of computers and other equipment to enhance program-related research efforts.
- NIST. An increased of \$117M is proposed for NIST programs -- \$103M for the advanced technology program and \$14M for networking and computer applications.
- NTIA/Information Highways. To promote faster introduction and expansion of networks between universities, businesses, schools and libraries, \$64M in new grant funds is proposed. A new program.
- MBDA. To meet anticipated 1993 budget shortfall, an increase of \$1.9M is provided.

Investments (1994-97)

- Weather Service Modernization. Provides funds in 1994 (+\$155M over baseline) to finance the multi-year capital modernization program. Most increases are for weather satellites and improved weather detection technologies (e.g. doppler radars).
- National Institute of Standards and Technology (NIST). Grows from 1993 enacted of \$381M to \$1,369M by 1997. Increase over 1994 baseline is \$181M and over 1997 baseline is \$931M.
 - oo Advanced Technology Program grants: Program expands from \$68M in 1993 (enacted) to \$758M by 1997.
 - oo Manufacturing Extension grants: increased to support over 100 manufacturing outreach and technology centers nationwide by 1997. Program expands from \$19M in 1993 (enacted) to \$92M by 1997.
 - oo In-house research in NIST labs doubled over five-year period.
- Economic Development Administration. \$33M will be available in 1994 and \$55M will be available annually 1995 through 1998 as a part of the Defense conversion initiative.

February 16, 1993

National Defense Talking Points

Post-Cold War military forces will be shaped for new requirements and highly ready:

- 1.4 million men and women on active duty,
- capable forward presence of roughly 100,000 troops in Europe, and
- force readiness will be maintained at high levels.

Hardware programs:

- major weapons systems will be assessed as the entire Defense program is reviewed this Spring,
- systems will continue our technological superiority,
- airlift and sealift adequate for new challenges,
- funding for SDI will be reduced, pending a strategic review, and
- science and technology programs remain a high priority.

National Defense Program will be affordable:

- planned national defense funding over next 4 years fulfills the promise of an additional \$60 billion in program savings,
- program savings combined with government-wide pay and benefit changes and additional reductions to offset projected under-funding result in total outlay savings of \$37 billion in 1997.

Defense planning will deal with new fiscal and management challenges.

- Most recent 5-year budget plan of the previous administration may have:

oo understated costs of forces and hardware, and

oo overstated the savings from planned Defense Management Reforms and overhead consolidations.

- Liabilities, such as for environmental clean-up, may be greater than previously anticipated.
- A task force is reviewing these funding and management issues.

Department of Energy Defense Programs

- 3% real increase (after inflation) per year for environmental clean-up, and
- no nuclear weapons production and only 15 tests of weapons through 1996.

To ameliorate the economic effects of reductions, the plan includes new initiatives for defense conversion.

- continued funding for the Department of Defense for dual-use technology and manufacturing programs,
- additional funding for DOD's Office of Economic Adjustment and for the Economic Development Administration in the Department of Commerce for community diversification programs,
- about \$9 billion in 1994-97 in investment initiatives of the Departments of Energy, Transportation and Commerce and NASA for technology programs and high technology product acquisition, creating "market pull" for defense industries and their workforce,
- \$5.4 billion in 1994-97 to the Department of Labor for dislocated worker training, and
- funding for the Department of Energy for training, employee assistance, and community assistance programs.

EDUCATION DEPARTMENT
1994 Budget Passback

Stimulus (1993)

- o Chapter 1 Summer Programs. \$500M for FY 1993 only. (No change from prior passback.) Appropriation language proposed so that at least 80% of the money is spent at the local level by Sept. 30, 1993.
- o Chapter 1 Census Offset. \$235M for 1993 only. Added since prior passback phone call. Secretary appealed for \$250M, which was cut 6% in ratchet. Provides partial offset for loss of funds in some areas due to shift from 1980 to 1990 Census data for fund allocations.
- o Pell shortfall: 1993-1994 and prior years. No change from prior passback. \$2.024B: \$1.371B for old shortfalls; \$.653B for 1993-1994. Fully funds current shortfall estimates through 1993-1994 school years (not the outyears).

Investments (1994-1997)

- o Apprenticeship. No change in 1997: outlays of \$495M. 1994 BA reduced from \$450M to \$270M since prior passback call. \$450M was passed back earlier to both Labor and ED; they are collaborating on policy. Riley and Reich should submit an agreed upon plan for the 1994 Budget document.
- o Allowance for Reform and Initiatives. No change in 1997: outlays of \$2.7B. 1994 BA reduced from \$1.45B to \$870M since prior passback. The allowance is for:
 - Elementary and secondary: "Safe Schools"; Systemic School Reform; reauthorization of Elementary and Secondary Education Act; other programs.
 - Postsecondary: restructure to bring Pell grants under control; rationalize student aid; increase aid.

Non-Defense Discretionary Reductions. No change from prior passback.

- o Reform Campus-based Aid. Reduce BA for supplemental grants, loan capital, work-study \$200M below 1993; freeze remaining \$1.2B in outyears; give schools flexibility to shift funds among activities. Outlay savings: \$275M in 1997.

- o Phase-out Impact Aid "b". Three year phase-out of Impact Aid "b" payments to school districts. No cuts in the much larger "a" payments. Outlay savings: \$145M in 1997.
- o "Streamlining". Eliminate, restructure or reduce other programs. 1997 outlay savings: \$620M, derived as follows (Secretary has discretion on how to achieve):
 - Eliminate consumer/homemaking. 1997 outlay saving: \$37M.
 - Reduce outlays one-third for 60 programs with less than \$50 million in 1993 BA. 1997 outlay savings: \$186M.
 - Freeze BA at 1993 level for most other programs. 1997 outlay savings: \$398M.

Entitlements. No change from prior passback.

- o Direct Loans. Legislation to expand and modify Direct Loan pilot with goal of full implementation of Direct loans in 1997. 1997 outlay savings: \$1.3B. Prepare loan repayment options, including repayments adjusted to annual income, to permit more people to take low wage community service jobs.
- o State Default Fee. States to share costs if default rate of students in State's schools exceeds 20 %. States may pass on costs to schools. 1997 outlay savings: \$131M.

Other

- o Across The Board Cuts. 1997 outlay savings: \$71M. Savings from: FTE reductions (-50 in 1993, rising to -198 by 1995); lower administrative expenses; lower research costs per new policy to cut grantee overhead; no 1994 pay raise.
- o Technical increases. Amounts increased over baseline. 1997 outlays: \$135M. 1994 BA increase: \$148M. Provides for: continuing Pell and student loan processing contracts; improvements in accounting systems; continuing planned expansions of statistics programs; National Assessment of Educational Progress, State-based and national assessments.

NOTE: Sec. Riley's major concern may be what he may view as the relatively low 1994 discretionary BA increase, compared to the FY 1993 Bush Budget.

Current Passback:

- o 1994 BA vs. 1993 enacted: + \$1.1B; + 4.9%
- o 1994 BA vs. 1993 with supps: - \$1.6B; - 6.2%
- o 1994 BA vs. 1993 without 1993 Pell
prior year shortfall supp: - \$.3B; - 1.0%

Possible comparison:

- o 1993 Bush Budget vs. FY 1992 (at the time
his 1993 Budget was transmitted): + \$1.6B; + 7.2%
- o Possible responses: Best we can do within constraints on totals; some adjustments
possible for the March budget; flexibility allows Riley to put resources where needed
to get Congressional agreement to major legislative strategies.

DEPARTMENT OF ENERGY
1994 Budget Passback

STIMULUS (1993)

- o **Weatherization Grants.** Increase funding by \$47 million to help weatherize homes of lower income households and create jobs quickly.
- o **Federal Energy Efficiency.** Increase funding for DOE in-house energy management and Federal Energy Management Program Activities (by \$13 million in FY93).
- o **DOE Laboratories.** Increase funding for Cooperative Research and Development Agreement (CRADAs) at the National Laboratories by \$47 million in FY93.
- o **Institutional Conservation Program.** Increase funding by \$19 million for model projects demonstrating energy conservation in buildings and industrial processes.
- o **Alternative Fuel Vehicles.** Increase funding by \$28 million for conversion to or acquisition of alternative fuel vehicles for Federal fleet.

INVESTMENT (1994-98)

- o **Funding for Conservation and Renewable Energy.** Propose \$3.5 billion over the FY 1994-98 baseline as part of the investment package, including:
 - \$1.9 billion over 1994-98 for renewable energy and conservation R&D, most of which is intended for implementation of the Energy Policy Act;
 - \$460 million over 1994-98 baseline for low-income weatherization grants; and
 - \$292 million over FY94-FY98 baseline for DOE in-house energy management and Federal Energy Management Program (FEMP) activities, including an efficiency fund that DOE will administer on behalf of a number of smaller agencies.
- o Government-wide, the buildings energy conservation program would increase by \$94 million in FY 1994 and a total of \$1.4 billion over baseline between FY 94-98.

- o Government-wide, the buildings energy conservation program would increase by \$94 million in FY 1994 and a total of \$1.4 billion over baseline between FY 94-98.
- o **Technology Transfer.** Add \$30 million in 1994 for Cooperative Research and Development Agreements at the non-defense laboratories (for a total of \$230 million above the baseline in FY 1994-98).
- o **Other Energy R&D/Technology Increases.** Other technology initiatives above the baseline include increased fusion energy R&D funds, increased gas utilization R&D (\$263 million between 1994 and 1998) and initiation of the Advanced Neutron Source at Oak Ridge (\$1.2 billion between 1994 and 1998).
- o **Environmental Restoration and Waste Management.** The clean-up program would be increased by three percent above baseline.

SAVINGS

- o **Uranium Enrichment.** To pave the way for the creation of the U.S. Enrichment Corporation, one of the enrichment operating plants would be closed (located in Portsmouth, Ohio -- not Paducah, KY). Produces savings of 241 million in outlays in 1994 and \$1.3 billion between 1994 and 1997.
- o **Nuclear Reactor Research.** Stops nuclear reactor research considered commercially unviable. Produces saving of about \$103 million in outlays in 1994 and \$1 billion between 1994 and 1998.
- o **PMAs.** We are withdrawing our debt payment reform proposal and BPA conservation initiative. We will retain a savings marker of \$300 million BA in the outyears but the nature of the savings proposal is to be worked out with Congress.
- o **Strategic Petroleum Reserve (SPRO).** We are proposing to reduce SPRO acquisitions by one-third. Currently, DOE adds about 20,000 barrels per day. (The 20,000 is acquisition for non-defense purposes; another 15,000 is acquired for defense purposes.) This proposal reduces acquisition to just over 13,000 barrels per day.
- o **SSC Will Continue.** The SSC is funded at \$108 million above the baseline in 1994 (total FY94 funding of BA \$640 million). Baseline funding is assumed in the outyears. The project would be stretched out, adding about 3 years and \$1.8 billion

to the schedule. This stretch-out will provide a breather to review magnets and costs and evaluate current contractor, and fix any problems with cost and schedule controls.

DEFENSE PROGRAMS

- o Total FY 1994 BA for DOE defense activities is \$11.6 billion. Part of this (\$5.5 billion) is for defense-related nuclear waste cleanup, which is funded at 3 percent above the baseline. This will require DOE to renegotiate some environmental compliance agreements it entered into with States and EPA and to undertake some reforms in the way it operates this program.
- o All other defense activities related to weapons production, stockpiling, and testing are \$1 billion below the FY 1993 level (\$6.0 billion). This funding level conforms with prior decisions to stop producing and reduce testing of nuclear weapons.
- o \$100 million (part of the \$11.6 billion above) is to provide assistance to workers and communities who lose jobs because of defense-related cuts for DOE.

OTHER

- o **Streamlining/FTE Cuts.** Other cuts, which affect all Federal agencies, will also be taken in an effort to improve the efficiency and streamline the Department's administrative operations. This includes a reduction in the overhead allowance for grants to universities (from 26 percent to 22 percent).
- o **Alaska Power Sale.** The Administration supports the sale of the Alaska Power Administration to the State and other publicly-owned utilities. No budget effects.
- o **FCCSET.** Federal Coordinating Council for Science, Engineering and Technology R&D initiatives are funded above baseline.

February 16, 1993

Department of Health and Human Services

HHS-wide Talking Points

To preserve maximum Secretarial flexibility to allocate resources, maintain consistency with Clinton priorities, and achieve deficit reductions levels, the following reductions may be allocated within HHS.

Reduction of 100,000 Federal Positions

- On February 10, 1993, the President issued an Executive Order reducing 100,000 Federal positions over the next three fiscal years. To achieve the President's goal by FY 1996, HHS' contribution is over 1,000 FTE in FY 1993 and over 10,000 FTE over FYs 1993-1996. At least 10 percent of the reductions shall come from the SES, GS-15 and GS-14 levels or equivalent.

Deficit Control and Productivity Improvement in the Administration of the Federal Government

- The President is committed to achieving real reductions in the administrative costs of Federal agencies. To meet this goal by FY 1997, HHS shall reduce its administrative overhead (defined as expenditures for contractual services and supplies) by approximately \$150 million in FY 1994 and approximately \$1.7 billion in FYs 1994-1997.

Streamlining

- To achieve the President's goal of streamlining agency programs, HHS's share of additional administrative reductions is over \$300 million in FY 1994 and over \$3 billion over FYs 1994- 1997.

Stimulus (1993)

- Head Start (Summer). An increase of \$500 million to fund a summer Head Start program to help disadvantaged children retain the social and intellectual gains made during the school year.
- Ryan White Act. An increase of \$200 million to respond to the President's pledge to fully fund the Ryan White Act.
- Immunizations. An increase of \$300 million through the national vaccine program to finance vaccine purchase, certain personnel expenses, vaccine safety and research, the development of a national tracking system, and a community based outreach and information campaign.
- NIH Higher Performance Computing Applications. A \$9 million increase to develop applications of advanced computer and networking technology for health care.
- Social Security Administration. A supplemental in FY 1993 for the Social Security Administration for purchase of computers and other equipment and processing disability determinations -- \$302 million in FY 1993, \$120 million in FY 1994, and \$200 million in succeeding years.

Investment (1994-97)

- No specific amount has been set aside for reforming welfare.
- Head Start (Summer). Continues the summer Head Start program at \$514 million in 1994.
- Head Start Program Growth. As pledged in *Putting People First*, this proposal begins fully funding Head Start. Head Start funding would increase by \$785 million in 1994 and by \$3.1 billion in 1997, and is complemented by Medicaid-related spending for child health and the Child Care feeding program in the Department of Agriculture's Child and Adult Care Food Program.
- Ryan White Act. A \$120 million increase in 1994, with total additional funding of approximately \$1.4 billion for 1993-1997.
- AIDS, Women's Health, Research and Other Public Health Initiatives. Includes an additional \$1,272 million in 1994 for funding HIV/AIDS, women's health, and other priority research efforts; immunizing young children; and promoting public health.
- Low Income Home Energy Assistance. Funds will be sought to alleviate the impact of the energy tax increase on low income households. Added budget authority of \$333 million in FY95, \$667 in FY96, and \$1 billion in FY97 and FY98.
- NIH High Performance Computing Applications. Includes an increase of \$24 million in 1994 to continue the activities begun in 1993 to develop applications of advanced computer and networking technology for health care.
- Substance abuse treatment. A \$90 million increase in 1994 to create treatment capacity where it needed most and for hard-to-treat populations, especially pregnant women and women with children.
- Social Security Administration. A dedicated automation investment fund to improve service and productivity at the Social Security Administration of about \$1 billion. Spending is estimated at about \$145 million in FY94 and \$245 million in each of the succeeding four years. This is above currently budgeted investment levels.
- Parenting and Family Support. Discretionary funds of \$60 million in FY94 (\$1.1 billion over FY94-97) will be set aside to respond to sensitive, emerging issues in parenting and family support, including activities that would help disadvantaged parents work with their children at home.
- Medicaid and AFDC State Administrative Expenses. Beginning April 1, 1994, match all Medicaid and AFDC State administrative expenses at 50%. Food Stamp match rates would also be set at 50%. Limited hardship waivers will be available.

Technical Adjustments to the Baseline

- NIH Breast Cancer Research. The NIH 1994 baseline continues over \$200 million for the breast cancer research funds that originally appropriated to the Defense Department in 1993. This policy fully funds the out-year costs of these multi-year grants.

Entitlements

- Medicare. Proposed changes have been discussed that would save \$3.0 billion in FY94, \$15.5 billion in FY97, and \$53.9 billion over five years. Final details of the design and pricing of the SMI premium need to be resolved. (NOTE: These details involve savings of about \$1 billion.)
- Medicaid. Proposed changes would save \$225 million in FY94, \$2.1 billion in FY97, and \$8.7 billion over five years. The proposals would permit States to use prescription drug formularies to control growing drug costs, close loopholes that allow individuals to divest assets in order to receive Medicaid-covered long term care, and fix a technical error in OBRA 90 to remove the mandate that States cover personal care services.
- Child Support Enforcement. Expanded child support activities including those in *Putting People First* and many of the Interstate Commission on Child Support recommendations. The proposals are targeted to produce billions of dollars in increased child support collections and medical support. Federal savings are currently estimated at \$27 million in FY94 and \$505 million over FY94-98.
- Social Security Administration. Seek Social Security Act changes that would charge States a small fee for the administration of State supplements to the Supplemental Security Income program. The monthly fee would be \$1.67 per beneficiary in the first year, \$3.33 in the second year, and \$5 in the third year.

Non-Defense Discretionary Reductions

- Health Professions Curriculum Assistance. Reduce funding for health professions curriculum assistance by \$27 million in 1994, recognizing that most health professionals are no longer in short supply. Curriculum assistance grants targeted specifically for primary care, nursing, and disadvantaged assistance would receive funding increases.
- Food and Drug Administration User Fees. Collect \$200 million in 1994 from the drug industry for the value conferred by FDA certification of the safety and effectiveness of drug, medical devices, and other FDA-regulated products.
- Reduce Overhead Rate on University R&D. Adjust the budgets for civilian R&D grant-making agencies to reflect an upper limit on administrative and facilities-related overhead charges, consistent with streamlining overhead in Federal departments and with *Putting People First*. The HHS share will save \$223 million in 1994.

February 16, 1993

Presidential Decisions on the FY 1994 Budget

Talking Points -- Secretary Cisneros
Department of Housing and Urban Development

- o **STIMULUS:** President adopted most of the Secretary's stimulus proposals.
- Expand the Community Development Block Grant (CDBG) with \$2.5 billion in 1993 BA and modify to assure faster spending. Modifications include:
 - Remove current restraints on public services spending;
 - Enforce a strict recapture provision on any unspent CDBG stimulus funds after 1994;
 - Provide the HUD Secretary authority to waive statutory or regulatory provisions that impede fast spending.
- Accelerate HOME expenditures. (No new money.) New regulations and other options to accelerate expenditure of funds will be mutually developed by OMB and HUD staff.
- Accelerate Public Housing Modernization expenditures. (No new money.) Shorten the grant-making process and streamline information requirements. HUD and OMB staff will work out details.
- Add \$423 million for HUD's Supportive Housing program. This expansion of HUD's homeless funding in 1993 is consistent with the Secretary's request in his February 3rd letter to you. The supplemental will include modifications to accelerate current slow spending, and will enforce a strict recapture provision for any stimulus funds unspent after 1994.

- o INVESTMENT: President selected several HUD programs for special emphasis in his investment program. He added BA of \$15.3 billion from FY 1994-1998 for HUD investments. (HUD 1997 outlays were increased \$1.4 billion above the OMB baseline to accommodate these additional investments.)
- Increase basic (non-stimulus) Community Development Block Grant (CDBG) program by \$90 million in FY 1994, and \$150 million in FY 1995-1998. (+\$690 million of BA 1994-1998; 1997 outlays of \$4.4 billion are \$137 million above the OMB revised baseline.)
- Increase HUD's Low-Income Housing Preservation and Restoration programs. This increase assures that sufficient funds are available to preserve, rehabilitate, and restore the financial soundness of current low-income rental housing. (+\$4.1 billion of BA 1994-1998);
- Invest to assist more low-income households with housing. Expands two HUD programs: (a) increase rental assistance to 100,000 new housing vouchers in 1998 (from nearly 40,000 in FY 1993; gradual increase each year), and (b) double HOME grants to State and local governments to the full amount authorized (\$2.2 billion in FY 1994; FY 1993 base is \$1.1 billion), and maintain at that level through FY 1998. (+\$6.8 billion in BA in FY 1994-FY 1998).
- Invest more in homeless programs by increasing HUD's Supportive Housing Program by \$180 million in FY 1994 and \$300 million in FY 1995-FY 1998. This provides a more permanent solution to homelessness. (1997 outlays of \$300 million are \$138 million above the OMB revised baseline.)
- Increase public housing operating subsidies. This increase will assure full funding of authorized operating subsidies for public housing units. Also includes reforms to eliminate paying subsidies for vacant units.
- Fund Community Partnership Against Crime initiative. Funding for this new program will allow HUD to work with local public housing authorities in an intense effort to reduce crime in public housing. (\$690 million in BA, FY 1994-FY 1998).

-- Increase funding for HOPE for Severely Distressed Public Housing initiative. This proposal increases the funds available for rehabilitating severely dilapidated public housing units from the level of \$300 million in BA provided in FY 1993, to \$483 million in FY 1994, and \$600 million annually in years FY 1995-FY 1998. (\$1.26 billion in BA, FY 1994-FY 1998; \$374 million in outlays, FY 1994-FY 1998)

-- Fund HOPE Youthbuild initiative. This proposal provides resources to employ, train, and educate economically disadvantaged young adults in rehabilitating public and other low-income housing. (\$48 million in BA in FY 1994, \$368 million in FY 1994-FY 1998; \$106 million in outlays in FY 1994-FY 1998)

o TAX INITIATIVE FOR HOUSING: As part of his tax package, the President has approved the following tax changes to support housing.

-- Extend the Low Income Housing Tax Credit permanently;

-- Extend Mortgage Revenue Bonds permanently;

-- Propose creation of enterprise zones. Treasury, OMB and HUD staff should work together to develop program details for final proposal similar to that in H.R. 11. President has approved tax expenditures of \$1.2 billion in 1997 for enterprise zones (\$2.4 billion tax expenditures between 1994 and 1997).

o NON-DEFENSE DISCRETIONARY PROGRAM SAVINGS:

To help meet his 1997 deficit reduction target, the President decided to reduce or reform several HUD programs. In addition, the President asks HUD to contribute its share toward government-wide savings initiatives. (Total estimated 1997 outlay savings are \$1.5 billion below the revised OMB baseline.)

-- Eliminate funding for Special Purpose Grants. These were added in the 1993 Appropriations process as "pork" items. The unauthorized projects violate the principles of open and fair distribution of HUD resources, which were enacted in the 1989 HUD Reform Act.

- Modify administrative fees for Federally-assisted housing from 7.65 percent of rents to 6.0 percent of rents. HUD fees are paid to local public housing authorities, which administer Federal housing subsidy programs. These fees substantially exceed the costs of the services the local entities perform. According to GAO and HUD studies, this proposal would gradually reduce these fees to a uniform level more consistent with service costs.
- Reallocate new construction funding from Public and Indian Housing and Elderly and Handicapped housing to HOME block grants. This proposal increases flexibility of local communities without diminishing the number of housing units being assisted. Only 70 percent of HUD new construction funds are transferred to HOME because of the state/local match requirement in HOME.
- Reform HUD's preservation program to eliminate excessively costly subsidies paid to private landlords to continue to operate rental units as low-income housing. Limits subsidy to the cost of a housing voucher. Also eliminates homeownership option.
- Government-wide savings. HUD is asked to bear its share of reductions needed to achieve the President's goals of: (1) a reduction of 100,000 FTE in federal civilian employment and (2) an across the board reduction in certain administrative costs.
- Additional savings to streamline government. In addition to the specific discretionary program savings the President has approved, the President asks that you plan to achieve additional savings to meet his objective of streamlining government.

Although these additional savings must be met in the aggregate (1997 outlay savings of \$656 million for HUD), you may reallocate them among your programs to reflect the consolidation and efficiency steps you believe are most appropriate. My OMB staff are prepared to work with your staff to develop the necessary detailed budget allocations by program.

o ENTITLEMENT SAVINGS: These proposals save \$227 million in BA and outlays for 1997.

- FHA Insurance Reforms. Reforms will reduce insurance losses by removing legislative and regulatory impediments, and improving management. These reforms will re-establish the FHA insurance programs as effective government financing vehicles.
- Propose GNMA REMICS (Real Estate Mortgage Investment Conduits). Reduces mortgage costs to borrowers by enabling intermediaries to match investor investment preferences more precisely. The government's charge for guaranteeing REMICS will capture some of the efficiency gain of a REMIC for deficit reduction. The rest will accrue to the homeowner.

February 16, 1993

DEPARTMENT OF THE INTERIOR
FY 1994 BUDGET PASSBACK

STIMULUS:

- o Total BA of \$460M (\$745M requested by Secretary Babbitt), including:
 - Enhanced Natural Resource Protection and Environmental Infrastructure (+\$349M), including the National Parks (+\$230M), Wildlife Refuges (+\$88M), and other Public Lands
 - Bureau of Indian Affairs (BIA) school operations and Economic Development on Indian reservations (+\$88M)
 - Historic Preservation repair and maintenance, National Park Service (+\$23M)

INVESTMENT:

- o Natural Resource Protection and Environmental Infrastructure (+\$160M in FY94 BA) including National Parks, Wildlife Refuges, and Public Lands
- o Bureau of Indian Affairs Dam Safety (+\$18M in FY94 BA)
- o Public land highways and Indian reservation roads (+\$32M in FY94 BA) funded through Department of Transportation's Highway Trust Fund

PROPOSED REDUCTIONS:

Entitlements:

- o Phase in increased Grazing Fees over four years to approximate fair market value (Bureau of Land Management) (-\$22M in FY97 outlays; -\$48M in FY 94-97 outlays); Secretary would be given flexibility to negotiate higher fees consistent with these savings targets.
- o Permanently extend Hardrock Mining Holding Fees; continues proposal similar to FY 1993 enacted (-\$80M in FY97 outlays; -\$320M in FY 94-97 outlays)
- o Institute Hardrock Mining Royalty; based on 12.5 percent of gross production phased in over three years (-\$277M in FY97 outlays; -\$471M in FY 94-97 outlays)
- o Permanently extend 50% Net Receipt Sharing for On-shore Oil, Gas, and Coal Extracted from Federal Lands (not OCS); (-\$45M in FY97 outlays; -\$170M in FY 94-97 outlays).
- o Increase Recreation Fees; would increase existing fees and add new sites at national parks, refuges, and public lands (-\$45M in FY97 outlays; -\$147M in FY 94-97 outlays); except at national park units, no increase greater than \$3 per site or activity.

- o **Implement a Federal irrigation water surcharge** (non-Central Valley Project)
(-\$15M in FY97 outlays; -\$45M in FY 94-97 outlays)
- o **Reform Commonwealth of Northern Mariana Islands Funding Agreement** (-\$10M in FY97 outlays; -\$31M in FY 94-97 outlays)

Discretionary:

- o **Reduce construction funding for selected Bureau of Reclamation water projects**
(-\$42M in FY97 outlays; -\$163M in FY 94-97 outlays)
- o **Eliminate one-time Interior funding for disaster relief;** eliminates FY 1992
contingent supplementals (-\$68M in FY97 outlays; -\$250M in FY 94-97 outlays)
- o **BIA Enhanced School Operations** (+\$60M BA in FY94, +\$60M in FY 97 outlays; +\$240M in
FY 94-97 outlays)
- o **Indian Land and Water Rights Claim Settlements** (+\$200M BA in FY 94, +\$200M in FY 97
outlays; +\$800M in FY 94-97 outlays)

ACROSS-THE-BOARD CUTS PURSUANT TO PRESIDENTIAL DECISIONS:

- o **Pay adjustment** -\$83M BA in FY94; due to Government-wide changes in pay.
- o **FTE reduction** -\$68M BA in FY94; FY94 FTE level of 75,989; -1,948 (-2.5%) from
FY 93; pursuant to the Executive Order.
- o **Other administrative efficiencies** -\$40M BA in FY94; -3% pursuant to the Executive
Order.
- o **Limits on R&D Grant Overhead** -\$2M BA in FY94.

NOTES TO THE DIRECTOR:

- o As a result of discussions between Secretary Babbitt and yourself on February 12, 1993, the Secretary agreed to a set BA point of \$7.63 billion for the Department's FY 1994 discretionary budget total.
- o Despite NRD emphasis with Interior budget staff that further across-the-board reductions and other possible adjustments would further reduce any preliminary point estimate, the Secretary is likely to believe his final passback will be at or very near \$7.63 billion.
- o The attached table indicates that the Department's final discretionary total of \$7.45 billion in BA is \$178 million below the Secretary's total of \$7.63 billion. This amount is still \$162 million (+2 percent) above the Interior baseline of \$7.29 billion.
- o Within the Department's \$7.45 billion total, there are increases or addbacks for:
 - Current and future Indian land and water rights claim settlements (+\$200M BA in FY94; +\$800M in FY94-97 outlays)
 - BIA Enhanced School Operations (+\$60M BA in FY94; +\$240M in FY94-97 outlays)
 - Elimination of reductions tied to Low-Priority Interior Construction (+\$50M in FY94 BA, +\$161M in FY94-97 outlays)
 - Elimination of streamlining of certain Interior programs (+\$72M BA in FY94; +\$276M in FY84-97 outlays)

Department of the Interior

Proposal

Enacted
1993

1994

1995

1996

1997

Total
1994-97**SUMMARY – Proposed Adjustments****Discretionary Mark 2/10/93**

BA	7,511	7,448	7,590	7,710	7,847	30,595
OL	7,772	7,536	7,541	7,595	7,654	30,326

Proposed Addbacks

BA		182	196	212	222	812
OL		121	158	188	210	677

Policy Mark 2/12/93

BA	7,511	7,630	7,786	7,922	8,069	31,407
OL	7,772	7,657	7,699	7,783	7,864	31,003

**Across-the-Board Reductions since 2/12
Adjustments to Other Admin.**

BA		11	23	34	55	123
OL		11	23	34	55	123

Limits on R&D Grant Overhead

BA		-2	-2	-2	-2	-8
OL		-1	-2	-2	-2	-7

FTE Reductions (no dollars taken in 2/12 mark)

BA		-68	-166	-171	-176	-581
OL		-68	-166	-171	-176	-581

Stimulus Reductions (6.1%)

BA	-30					0
OL	-25	-4				-4

Investment Reductions (40%)

BA		-119				-119
OL		-75	36	82	91	134

SUBTOTAL, Reductions since 2/12

BA	-30	-178	-145	-139	-123	-585
OL	-25	-137	-109	-57	-32	-335

REVISED POLICY MARK 2/16/93

BA	7,481	7,452	7,641	7,783	7,946	30,822
OL	7,747	7,520	7,590	7,726	7,832	30,668

Current Interior Discretionary Baseline

BA	7,021	7,290	7,528	7,761	8,001	30,580
OL	7,351	7,346	7,541	7,722	7,902	30,511

Difference

BA	460	162	113	22	-55	242
OL	396	174	49	4	-70	157

February 16, 1993

DEPARTMENT OF JUSTICE
1994 Budget Passback

Stimulus. None planned.

Investments/Crime Initiative.

- Community Policing/"Cops on the Beat." \$50M is provided in 1994 (\$300M by 1997) to initiate a program to aid States and localities to enhance their community policing activities. Funds may be used to: recruit and hire new officers; provide special training; or support community programs to reduce crime. Program is consistent with last year's crime bill and "Putting People First."
- Police Corps. \$25M is provided in 1994 (\$150M by 1997) to establish a program that provides scholarships to would-be police officers in exchange for a commitment to service as a State or local police officer. Candidates would receive a yearly stipend for tuition, books, and expenses. Program is consistent with last year's crime bill and "Putting People First."
- Brady Bill/Criminal Records Upgrade. \$25M is provided in 1994 (\$50M in 1995 and beyond) to initiate grants to states to upgrade criminal records infrastructure and to establish a computer interface with the FBI's criminal records databases. Initial year funding will be split between grants to States and FBI startup and operating costs. Thereafter, grants to states will be increased and FBI operations will be funded. Program is consistent with last year's crime bill and recent Presidential support of Brady Bill.
- Detention and Care of Federal Prisoners. \$199M over 1994 baseline (\$274M by 1997) will help the Bureau of Prisons and Marshals to house and feed an increased number of detainees and prisoners and to meet higher room and board and medical costs. Also includes funds to open new prisons.
- All Other Law Enforcement. \$91M over 1994 baseline (\$126M by 1997) is provided principally to INS, and FBI to enable agencies to continue to improve their services. Among the increases are: 1) \$9M for FBI's fingerprint identification improvement project (this would fully fund the Department's request); 2) \$35M for detention/deportation of criminal aliens by INS; 3) \$10M for additional INS inspectors at land border ports of entry; 4) \$8 million for improving INS data and communications

capabilities; 5) \$10M for implementation nationwide of the FBI's program to contract background investigations to former agents; 6) \$11M for rent payments to GSA; and 7) \$8M for the Community Relations Service to process and resettle Haitians and Cubans.

Non-Defense Discretionary Reductions

- **DOJ Program Streamlining.** The grant programs within the Office of Justice Programs (e.g., State and local drug grants) would be funded at 1993 enacted levels (-\$17M from baseline in 1994) and funding for new law enforcement training facilities at Quantico, VA, for DEA would be eliminated (-\$8M from 1994 baseline). The current training capacity at Quantico, coupled with facilities at Treasury's Federal law enforcement training center in Georgia (FLETC), provide sufficient resources to fulfill current Justice law enforcement training needs.
- **Prison Construction.** Limited new future construction is proposed for 1994 and 1995, and no new construction in 1996 and beyond (-\$71M from 1994 baseline). Does not affect all construction projects currently planned and funded. This reduction is in recognition of the fact that there is an unobligated balance in this account of over \$1.6B at the start of 1993 and significant progress has been made in reducing prison overcrowding. Prison overcrowding will be reduced to less than 10% by 1997 with funding already available for new construction. (Prison repair and modernization would be maintained at \$114M in 1994 and adjusted for inflation through 1998.)
- **Pay Adjustment.** No pay raise in 1994 and pay raise reduced by one percent in each year, 1995-1997. Omit locality pay in 1994; implement revised locality pay system beginning in 1995. Savings \$139M in 1994 and \$340M in 1997.
- **FTE Reduction.** Implement Executive Order on 100,000 FTE reduction. Savings \$82M in 1994 and \$703M in 1997.
- **Other Administrative Efficiencies.** Implement Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government. Savings of \$50M in 1994 and \$189M in 1997.

Entitlements. None

Other Items.

- DOJ is requested to examine the feasibility of charging fees for processing various INS forms to offset part of the costs of land border inspection (the potential is about \$7M annually) and to propose extending the land border crossing fee pilot project.
- DOJ is requested not to increase basic rates of pay for lawyers or law enforcement officers.

DEPARTMENT OF LABOR

STIMULUS

- o Emergency Unemployment Compensation: Policy is unchanged: extend the current program of 20/26 additional weeks of benefits through October 2nd. Those receiving benefits when the program ends will receive 15 additional weeks.
 - Estimates include State administration costs.
 - Language has been drafted so extension can be done through authorization or appropriations action.
- o Summer Youth Employment and Training: No change from prior passback. \$1 B is added to existing funds available for the summer of 1993.
- o Community Service Employment for Older Americans: \$32 M add-on (down by 6% from the \$35 M level discussed earlier with the Secretary) would finance 5,300 job slots bringing the total slots up nearly to the 1993 authorized job slot floor of 70,000.
- o Worker Profiling: \$14 M (the Secretary's \$15 M request less the 6% stimulus cut) is included for FY 93 for enhanced counseling/labor exchange activity to help identify quickly and provide services to the structurally unemployed to get them back to work.

INVESTMENT

- o Dislocated Worker Assistance: \$40 M reduction in 1997 outlays (now \$1.960 B). In FY 1994, \$1.2 B (an \$800 M reduction from \$2 B level before the 40% investment ratchet) is added to the baseline for a new comprehensive worker adjustment program (baseline is \$725 M for Trade Adjustment Assistance and Economic Dislocation and Worker Adjustment Assistance acts). \$2 B is added for FY 1995-98.
- o Summer Youth Employment and Training: No change to 1997 outlays (\$625 M). The investment ratchet reduced the 1994 additional amount from \$625 M to \$375 M (FY 93 stimulus is \$1 B). FY 1995-98 is \$625 M.
- o Community Service Employment for Older Americans No change in 1997 outlays of \$35 M. The investment ratchet reduced the FY 1994 add-on from \$35 M to \$21 M (FY 93 stimulus is \$32 M). The FY 1995-98 level is \$35 M.

- o Worker Profiling: No change in 1997 (no outlays). An additional \$9 M, the level after the 40% investment ratchet, is provided in FY 94 (the Secretary requested \$15 M).
- o Job Corps:
 - 50/50 Plan: \$41 M drop in 1997 outlays (now \$202 M). Capacity will be increased by 50 centers (from 112 centers to about 162) by about the year 2001. Instead of \$222 M, the program starts at \$133 M in FY 1994 (an amount determined after the 40% investment ratchet); amounts vary in outyears based on DOL planning estimates.
 - Maintenance: \$5 M decrease in 1997 outlays (now \$45 M). \$30 M (as opposed to \$50 M before the 40% ratchet) is provided in FY 1994 and \$50 M each year FY 1995-98 for backlogged maintenance and relocation costs at existing Job Corps centers.
- o Youth Apprenticeship: A \$5 M drop in outlays in 1997 (now \$495 M). (Also being passed back to Education because the Secretaries are collaborating). Instead of starting at \$450 M, FY 1994 will be \$270 M (the post-40% ratchet level), rising to \$500 M in 1995-98.
- o One-Stop Shopping: No change to 1997 outlays (\$250 M). \$150 M provided in FY 1994 (as opposed to \$250 M before the ratchet) and \$250 M each year for FY 1995-98 for the Employment Service for a common point of access to information on jobs/job training in communities.
- o Skill Standards: Covered in the allowance for education initiatives. Funds are to establish a national system of voluntary skill standards.
- o Staffing: An additional 365 FTE are added for the approved initiatives. The cost of those staff are to be absorbed in the amounts approved for the initiatives.

ENTITLEMENT SAVINGS: No change from prior passback.

- o None.

February 16, 1993

DEPARTMENT OF TRANSPORTATION
FY 1994 BUDGET PASSBACK

Stimulus Spending (1993)

- Highways. Fully fund ISTEA (1993-97), including a \$2,976 million supplemental in 1993.
- Transit. Increase transit program by \$752 million over the baseline for 1993. Of this increase, \$270 million would be earmarked for discretionary program bus and van purchases and the remaining \$482 million would be spent on formula-allocated capital grants.
- Airport Grants. Provide an increase of \$250 million in obligation limitation to fund fully the 1993 authorizations (from \$1,800 million to \$2,050 million).
- Amtrak. Provide increase of \$188 million in 1993 for Amtrak capital projects.

Investment Spending (1994-98)

- Highways. In addition to providing full-funding for ISTEA in 1994-1997, provide additional funds (above ISTEA) for Public Lands Highways and Indian Reservation Roads: +\$36 million in 1994, increasing to +\$240 million by 1997. 2.5 cents of gas tax currently planned for deficit reduction will be diverted to the Highway Account of the Highway Trust Fund starting on October 1, 1995.

Also, increase "smart cars/smart highways" funding by \$70 million in 1994, reaching \$100 million over the baseline by 1997. This increased Intelligent Vehicle Highway System (IVHS) funding is for accelerated operational tests, increased research and development, advanced technology development (e.g., artificial intelligence applications), and acceleration of the National Advanced Driving Simulator and Automated Highway System.
- Transit. Provide increase of \$600 million over the baseline in 1994 and \$1.0 billion in each year from 1995-1998 for formula-allocated capital grant programs.
- Airport Improvement Grants and Air Traffic Control Modernization. The Federal Aviation Administration's (FAA) Airport Improvement Program would be increased by \$30 million in 1994 and \$50 million per year thereafter over the baseline. The air traffic control modernization program would be increased by \$120 million in 1994 and \$200 million per year thereafter over the baseline. This will enable the FAA to continue to address critical equipment deficiencies and prepare for future air

traffic growth.

- Maglev/High-Speed Rail. Release ISTEA contract authority in 1994-1997 (+60 million in 1994, +\$175 million in 1997) and provide an additional \$575M in budget authority in 1994-1998 (\$75 million in 1994, \$125 million in 1997). These funds may be spent either on high-speed rail or maglev, whichever the Secretary finds to be superior. This requires a legislative change regarding ISTEA funding.
- Alcohol Safety and Other DOT Capital. Increase funding by \$67 million over the baseline in 1994 and \$100 million in 1995-98 to reduce alcohol-related traffic accidents, increase the use of safety belts and motorcycle helmets, and improve oil pollution abatement capability by replacing outdated equipment.

Non-Defense Discretionary Reductions

- Transportation Lower Priority Programs. Reduce funding for lower priority programs and projects totaling \$361 million in 1994, going to \$389 million in 1997. As one among several examples of possible reductions are highway demonstration projects.
- Airport Operations. FAA Operations would be reduced by \$62 million per year below the baseline to reflect the FAA's transition from a period of expanding its workforce due to rapid air travel growth to a period of slower growth and stable workforce.
- DOT Streamlining. Several DOT grant and contract programs are frozen at 1993 enacted levels (e.g., a portion of FAA research and development, motor carrier safety, and several small, outmoded railroad grant programs are terminated). Savings of \$23 million in 1994 and \$46 million in 1997.
- Civilian Pay Adjustment. No pay raise in 1994 and pay raise reduced by one percent in each year 1995-97. Omit locality pay in 1994; implement revised locality pay system beginning in 1995. Savings of \$128 million in 1994 and \$313 million in 1997.
- Military (Coast Guard) Pay Adjustment. No pay raise in 1994 and pay raise reduced by one percent in each year 1995-97. Savings of \$37 million in 1994 and \$90 million in 1997.
- FTE Reduction. Implement Executive Order on 100,000 FTE reduction. Savings of \$67 million in 1994 and \$131 million in 1997.
- Other Administrative Efficiencies. Implement Executive Order on Deficit Control and Productivity Improvement in the Administration of the Federal Government and realize savings in FTS 2000 contract costs. Savings of \$32 million in 1994 and \$151 million in 1997.

Defense Discretionary Reductions

- Maritime Administration- Ready Reserve Force. Ready Reserve Force funding (function 054) is reduced to \$234 million in 1994 and in 1997. This reduction is below the baseline by \$221 million and \$270 million, respectively, and reflects the overall cut in defense spending.
- Maritime Military Useful Loan Guarantees. This program is zeroed out in all years from 1994 through 1998. Savings of \$54 million in 1994 and \$59 million in 1997.

Entitlements/Revenues

- General Aviation Fees. This will assess the general aviation community for more of the costs they impose on the aviation system. Aircraft registration and renewal fees are proposed to be increased on a graduated basis over four years, reaching \$270 per aircraft by 1997 (yielding \$18 million of fees in 1994 and \$58 million in 1997 fees.)

DEPARTMENT OF THE TREASURY

Talking Points for Passback

Stimulus

Internal Revenue Service -- Tax System Modernization (TSM) Acceleration: The President has approved an additional \$148 million in FY 1993 to accelerate the IRS's TSM projects and other ADP equipment replacement schedules. TSM is an ongoing, \$8 billion, decade-long (FY1990 - FY2001) effort to modernize the IRS.

Investment

Internal Revenue Service -- Tax System Modernization (TSM) Increase (1997 outlays plus \$696 million above baseline): The Budget will provide funding of \$2.1 billion above the baseline during the FY 1994 - FY 1997 period; \$98 million in FY 1994, increasing to \$731 million in FY 1997 for IRS Tax System Modernization (TSM) projects.

Over the long term, TSM will modernize IRS functions, allowing the IRS to move from an antiquated and disjointed computer system to an up-to-date, automated approach to processing taxes. TSM will enable IRS to reduce the risks and costs associated with maintaining its current systems. It will deliver productivity savings, reduce burden placed on public, and support improved compliance efforts.

Community Development Banks (1997 outlays plus \$110 million above baseline): The Administration will propose funds for community development banks to provide loans in distressed communities where capital sources are limited and discrimination in lending may be prevalent. This program has been placed in Treasury, although the final determination has not been made regarding which agency should have authority for the program. Assumes funding of \$60 million in FY 1994, increasing to \$111 million in FY 1997. OMB and Treasury staff need to work out details.

Non-Defense Discretionary Savings

Bureau of Alcohol, Tobacco and Firearms (BATF) -- User Fees: Alcohol label processing and laboratory analysis fees, producing an estimated \$5 million annually will be proposed to cover the costs of these BATF activities.

Government-wide Savings: The President expects the Treasury to bear its share of the savings necessary to achieve his objectives for (1) reducing Federal civilian employment by 100,000 FTE and (2) cutting administrative expenses.

Additional Savings from Streamlining Government (1997 outlay reductions of \$68 million from revised OMB baseline): In addition to the previously described specific changes to your programs the President has approved, the President asks that you plan to achieve additional savings to meet his objectives for streamlining government. Although these additional savings must be met in the aggregate, you may reallocate them among your programs to reflect the consolidation and efficiency steps you believe are most appropriate. My OMB staff are prepared to work closely with your staff to develop the necessary detailed budget allocations by program.

Technical Adjustments to Non-Defense Discretionary Savings

Internal Revenue Service -- Revenue Initiative: The President has approved an additional \$150 million and 2,000 FTE (3,200 positions) to raise revenues through additional audits and collections of tax debts. This will allow IRS to pursue, among other issues, non-compliance by foreign-controlled corporations. OMB, Treasury and IRS staff should work together to develop an initiative package so that the highest feasible yields from this investment are realized.

Entitlement Savings

United States Customs Service -- Merchandise/Passenger Processing Fees Extension: The Merchandise and Passenger Processing Fees due to expire in FY 1995 will be extended through FY 1998. The extension of these fees collected by Customs to cover some of the costs associated with processing passengers and merchandise are expected to increase revenues by approximately \$550 million per year.

The passenger fee assesses a flat charge on international air and sea passengers arriving in the U.S., and other fees on certain commercial conveyances. The merchandise fee is a capped ad valorem fee assessed on the value of commercial imports at entry.

United States Customs Service -- Overtime Reform: Overtime reform legislation will be proposed to curb current overtime abuses in Customs' Inspector overtime compensation provisions. It will reduce overtime costs by about \$18 million annually. The Passenger Processing Fee, which currently pays for inspector overtime and other processing costs, will also be changed to allow these savings to be realized for deficit reduction.

United States Customs Service -- Enhanced Harbor Maintenance Fee collections: Legislation will also be proposed to provide Customs with \$5 million from the existing Harbor Maintenance Trust Fund for enhanced enforcement of Harbor Maintenance Fee collections. Customs collects these fees for the Army Corps of Engineers subject to appropriation. Currently these fees are used to offset Corps costs of maintaining harbors. The savings resulting from the enhanced enforcement (\$10 million in FY 1994 increasing to \$65 million by FY 1997) will be used to reduce the deficit.

Shorten Maturity of Debt Securities (\$3.9 billion outlay reduction from 1997 baseline): This figure represents an estimate of interest cost savings that might result from a potential shortening of the maturity of securities issued by the Treasury. The Treasury Department is currently conducting a study of the appropriate maturity composition of the Federal debt. Within the next few months, the study will be completed and OMB will be provided with updated estimates of cost savings, consistent with the Treasury's policy conclusions.

Addendum

Multinational Development Banks: Provides all multilateral development bank (MDB) arrearages and all current MDB commitments including the new funding for the World Bank's International Development Association (IDA).

Assess Examination Fees for State-chartered, FDIC-insured Banks: This proposal would eliminate an incentive for banks and thrifts to shift from Federal to State charters in order to avoid OCC and OTS examination fees. FDIC and Fed supervised State-chartered banks would pay the same fees as national banks, but that they also be allowed to take credit for amounts they pay to State regulators.

VETERANS AFFAIRS (VA)

Stimulus (FY93):

- o Facility maintenance backlog: \$235m (v. \$250m before stimulus cut) for non-recurring maintenance and repair projects that can be completed quickly in medical facilities and cemeteries.

Investment:

NOTE: After your passback to the Secretary, Medical Care numbers were adjusted to provide a FY94 increase over FY93 of \$1.002b, taking into account the effect of the FY94 pay freeze. This increase was inflated through the outyears. Subsequently, the FY94 Investment, but not the outyears, was cut by 40 percent.

- o Medical Care -- FY97 outlays are \$800m above baseline (v. \$500m in the prior passback). FY94 outlays are \$280m above baseline (v. \$294m in the prior passback; \$466m in the initial response to VA's appeal).
- o Secretary can use to help support initiatives such as:
 - compliance with residency workload limits (FY94--\$100m: FY97--\$196m)
 - continued implementation of automated drug dispensing (FY94--\$8m: FY97--\$6m)
 - activation of new facilities (FY94--\$288m: FY97--\$667m)

Entitlement Savings: No change from prior passback

- o Proposals are largely permanent extensions of laws now in effect:
 - IRS match on income reported by pensioners (OBRA 90) savings begin in FY98.
 - \$90 for pension recipients in Medicaid nursing homes (OBRA 90) savings begin in FY98.
 - \$2 per prescription copayment (OBRA 90) savings begin in FY98.

- Medical care cost recovery from third parties (OBRA 90) reduces outlays by \$407m in FY97 from the baseline.
- Housing loan fee of 2% (increase similar to OBRA 90) reduces outlays by \$157m in FY97 from the baseline.
- 2.5% fee and 10% downpayment for second and subsequent use of housing guarantee reduces outlays by \$17m in FY97 from the baseline.
- Resale losses considered in housing program (93 approp) saves \$21m in FY97 from the baseline.
- Restoration of 9:1 contribution ratio in GI bill program reduces outlays by \$98m in FY97 from the baseline.
- Excess funds used to pay administrative costs in insurance programs saves \$31m in FY97 from the baseline.

Discretionary Spending Reductions

o Medical Care:

- Only one savings initiative -- use a prospective payment system to allocate resources; designed to promote better use of resources in the base; savings from the baseline: FY94--\$100m: FY97--\$400m.
- Net result of investment and savings -- In FY97, total outlays are \$277m below the baseline (v. \$688m below in passback). For 94, the BA mark is \$606m above the 93 enacted level (this is what Sec Brown will measure against his \$1.5b appeal) and \$25m below the baseline.
- "Comparable \$1b increase" for Medical Care -- The FY93 stimulus (\$220m estimate for Medical Care) and the 94 increase of \$606m total over \$800m above the current FY93 funding level. The pay freeze will save VA \$200m. Therefore, today's \$800m is comparable to previous \$1b increases that included pay raises.

NOTE: These Medical Care numbers do not include FTE reductions that are discussed below under "Across-the-Board Reductions."

o Construction: No Change from prior passback

- Sec Brown did not appeal the construction mark or the policies passed back.
- Long term: investments to be considered through the Health Task Force, per your discussion with the Secretary
- Short term: In 97, outlays are \$134m below the baseline. 94 BA level is \$362m, \$131m below the 93 enacted level. Funds to be used in accordance with two broad guidelines:
 - o Projects are to be fully funded so that they do not mortgage the future.
 - o Planning process must take into account factors that are critical to stemming VA and national health care costs: health care resources available in the community, veterans' consumption of VA health care, and coverage available under State health insurance programs.

Across-the-Board Reductions

- o Overhead outlays have been reduced from the baseline by \$14m in FY94 and \$70m in FY97. "Overhead" cost categories that included program activities were exempted from the cut (e.g., contract nursing home care in the medical account).
- o FTE has cut of 2,304 in FY93 and 10,771 in FY97.
 - Impact of across-the-board FTE cut was partially offset by adding staff for Investment and other priorities before the cut was taken.

NOTE: Because Medical Care is about 90% of total VA FTE, the Secretary will not be able to protect Medical Care by spreading its share of the FTE cut to other VA programs. Reducing Medical Care FTE by the across-the-board cut will have the practical effect of wiping out the FTE and funding added under "investments" (e.g., opening new facilities).

ENVIRONMENTAL PROTECTION AGENCY
1994 BUDGET PASSBACK

STIMULUS (1993):

- o **Watershed Resource Restoration Grants** -- provide \$47M in 1993 BA in **Sec. 319 non-point source grants** pursuant to Administrator Browner's request.
- o **Green Programs** -- provide \$23M in 1993 BA to greatly expand EPA's existing "green programs" to promote energy efficiency and reduce greenhouse gas emissions pursuant to Administrator Browner's request.
- o **Wastewater State Revolving Funds (SRFs)** -- provide \$845M in 1993 BA to virtually complete the \$18B authorization under the Clean Water Act.

INVESTMENT (1994-97):

- o **\$1 Billion per year for Drinking Water State Revolving Funds (SRFs) (\$599M in 1994)** -- establish new drinking water SRFs to help municipalities comply with Safe Drinking Water Act requirements (\$692M in 1997 outlays; \$1,328M in 1994-97 outlays).
- o **\$2 Billion per year for Clean Water State Revolving Funds (\$1,198M in 1994) Emphasizing Stormwater Projects** (\$1,402M in 1997 outlays; \$2,700M in 1994-97 outlays)
- o **Environmental Technology** -- expand environmental technology research by \$36M in FY 1994 BA and \$1.85B over nine years (\$127M in 1997 outlays; \$271M in 1994-97 outlays).
- o **Watershed Resource Restoration and Green Programs** -- investment funding for these items included in the stimulus package would be continued at \$50M and \$25M in BA per year respectively for 1995-97 (\$30M and \$15M respectively for 1994).

PROPOSED REDUCTIONS: (all Discretionary -- EPA has only minor Mandatory spending)

- o **Completion of Wastewater Construction Grants** -- provide wastewater funding under current authorization (\$150M per year) only to support NAFTA (including funding for colonias in Texas, New Mexico, and Arizona). Reduces 1997 outlays by \$1,947M and 1994-97 outlays by \$4,104M.
- o **Increase Private Sector Superfund Financing** -- reduce funding by \$118M in FY 1994 BA for EPA cleanups by increasing private sector cleanup activity through increased enforcement. Reduces 1997 outlays by \$109M and 1994-97 outlays by \$308M.

- o **Eliminate One-Time Building Projects** -- would eliminate from the baseline two one-time building projects added by Congress to EPA's budget in 1993.

CROSSCUTTING REDUCTIONS:

- o **100,000 FTE Reduction Savings** -- \$17M in 1994 BA savings due to 2.5 percent 1994 FTE cut pursuant to Presidential Executive Order. EPA's share of the FTE reduction is 448 FTE in 1994 (-179 FTE in 1993).
- o **Administrative Efficiencies** -- \$8M in 1994 BA savings due to 3 percent 1994 administrative expense cut pursuant to Presidential Executive Order.
- o **Pay Adjustment** -- \$30M in 1994 BA savings due to changes in Federal pay assumptions.
- o **Streamlining Savings** -- \$34M in 1994 BA savings due to elimination of inflation from the baseline for object classes and programs not affected by other changes.
- o **Other Crosscutting Reductions** -- \$3M in 1994 BA savings due government-wide limits on R&D grant overhead and \$1M due to FTS 2000 price reductions.

Notes for the Director:

- 1) Administrator Browner may raise the need for 1993 appropriations language (in a supplemental bill to follow the stimulus supplemental) allowing her to transfer money between accounts to pay for salaries. Although the amounts may be small, such a transfer will raise 1993 outlays because it would move money from a slow payout account (35% first year outlays) to a high payout account (94% first year outlay).
- 2) The Administrator may also appeal for \$300 million in additional 1994 funding for EPA's operating programs in order to fund initiative that she is planning.
- 3) The Administrator will almost certainly press for an increase in her FTE level to address contract management problems rather than the reduction being passed back.
- 4) NRD has told the Administrator's staff that any changes to the passback would be on a zero-sum basis.

NATIONAL AERONAUTICS & SPACE ADMINISTRATION
1994 Budget Passback

February 16, 1993

Stimulus (1993)

- o Networking and Computing Applications. NASA will receive \$5M in 1993 as part of a four-agency effort to accelerate high performance computing applications as proposed in Senator Gore's Information Infrastructure and Technology Act (S.2937). Funding will continue in 1994-1998 as part of the Administration's investment package.

Investments (1994-1997)

- o Crosscutting High Performance Computing. Continues funding in 1994-1998 for the four-agency program to accelerate high performance computing (HPC) applications (\$12M in 1994 growing to \$50M in 1997).
- o Civil Aviation Research. Augments NASA aeronautics research to support the development of technologies for high-speed and subsonic civil aviation (\$57M in 1994 growing to \$247M in 1997).
- o Short-haul Aircraft Research. Augments NASA aeronautics research to support the development of technologies for short-haul aircraft (\$5M in 1994 growing to \$20M in 1997).

Non-Defense Discretionary Savings

- o Redesign Space Station and Add New Technology Investments. Provides \$588M in 1994 and \$643M in 1997.
 - Redesign Space Station. The current Space Station design (\$100 billion future mortgage) is fraught with cost overruns and its capabilities have been dramatically reduced from that promised originally. This proposal would redesign Space Station with a less expensive approach that achieves many of the research goals. This would include the creative use of the Shuttle and increased manned space cooperation with the Russians.
 - New Technology Investments. Provides a broad range of investments in space transportation, space science, space technology, aeronautics, and institutional

technology areas. These investments will help chart a new course for NASA and can provide a more meaningful contribution to the U.S. economy. A major component includes smaller science missions that cost less and provide results sooner.

- o Government-Wide Reductions. Government-wide FTS 2000, FTE, pay, R&D grant overhead, and other administration efficiency savings. This saves \$140M in 1994 growing to \$387M in 1997.

All Other NASA Programs

- o All other programs (like Mission to Planet Earth, Cassini, and the Space Shuttle) are funded at the requested level.

Summary

- o Would like to strengthen NASA by making a valuable investment in new technology, simplify the space station, and place NASA on a steady, sustainable budget growth path.

NATIONAL SCIENCE FOUNDATION
1994 Budget Passback

Stimulus (1993)

- o Research and Development. Attempts to restore NSF's research activities to the requested FY 1993 level. The focus will be on investment in fundamental research, including strategic areas such as understanding the climate system, advanced supercomputers and digital computer networks, biotechnology, materials processing, advanced manufacturing, and math and science education. This proposal includes \$188 million in FY 1993.
- o Network and Computing Applications. To develop applications using advanced computers and communication networks in fields such as health care, education, manufacturing, and access to libraries. This proposal includes \$19 million in FY 1993.

Investments (1994-97)

- o Crosscutting high performance computing. To continue the investment made in the Stimulus package focused on developing applications using advanced computers and communication networks in fields such as health care, education, manufacturing, and access to libraries. This investment includes \$36 million in FY 1994 and \$150 million in FY 1997.
- o Research and Development. Augments NSF's support for competitively awarded scientific and engineering research activities at U.S. universities and colleges, including fundamental research in such areas as understanding the climate system, advanced supercomputers and digital computer networks, biotechnology, materials processing, advanced manufacturing, math and science education. This investment grows from \$331 million in FY 1994 to \$1,054 million in FY 1997.

Savings.

- o Government-wide Reductions. Government-wide reductions in pay, FTE, administration efficiency savings, and limits on R&D grant overhead will save \$66 million in FY 1994 and \$79 million in FY 1997.

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CROSSCUTTING PROPS HIGHLIGHTED BY SUBJ:

Divider Title: _____

CROSSCUTTING PROPOSALS/
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CROSSCUTTING PROPOSALS

ADMINISTRATIVE EFFICIENCIES

ADMINISTRATIVE EFFICIENCIES/100,000 FTE CUT (Non-Defense Discretionary Program Savings Proposal)

Administrative Efficiency: Overhead-type (contractual services and supplies) baseline expenditure estimates would be reduced by .5 percent in 1994, 1.5 percent in 1995, 2.5 percent in 1996, and 3 percent in 1997-98.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
Budget authority.....	-676	-1,392	-2,169	-3,462	-3,553	-7,699	-11,252
Outlays.....	-676	-1,392	-2,169	-3,462	-3,553	-7,699	-13,875

FTE Reduction: Executive Branch (less Postal Service) civilian full-time equivalent employment would be reduced by 1997 by 100,000 from the 1993 estimated level. The reduction would be phased in over the 1994-1997 period.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
Budget authority.....	-932	-2,180	-2,305	-2,509	-2,592	-7,926	-10,518
Outlays.....	-932	-2,180	-2,305	-2,509	-2,592	-7,926	-10,518

The savings for Defense (050) are assumed to be included in the negotiated Defense top-line number and are not included in the above estimates. The Postal Service is excluded from this option because under current law the President has no authority to reduce the overhead costs or the FTEs of that agency.

ARTS AND HUMANITIES

ARTS AND HUMANITIES: Funding for Certain Small Agencies (Non-Defense Discretionary Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>TOTAL:</u>							
Budget authority.....	-22	-43	-72	-104	-135	-241	-376
Outlays.....	-12	-30	-60	-92	-124	-194	-318
 <u>PROGRAM DETAILS:</u>							
<u>Corporation Public</u>							
<u>Broadcasting</u>							
Budget authority.....	---	---	-7	-14	-22	-21	-43
Outlays.....	---	---	-7	-14	-22	-21	-43
 <u>National Galley of Art:</u>							
Budget authority.....	-2	-5	-7	-10	-13	-24	-37
Outlays.....	-2	-4	-7	-10	-12	-23	-35
 <u>National Endowment for the Arts:</u>							
Budget authority.....	-5	-8	-12	-17	-21	-42	-63
Outlays.....	-1	-5	-9	-13	-17	-28	-45
 <u>National Endowment for the Humanities:</u>							
Budget authority.....	-5	-9	-13	-18	-22	-45	-67
Outlays.....	-2	-5	-10	-14	-18	-31	-49
 <u>Smithsonian Institution:</u>							
Budget authority.....	-10	-21	-33	-45	-57	-109	-166
Outlays.....	-7	-16	-27	-41	-55	-91	-146

Note: CPB's funding is appropriated two years in advance. Assumes level funding from last enacted level (FY 1995).

This proposal would maintain funding for these arts and humanities agencies at the FY 1993 appropriation level of \$1 billion. A similar policy for the Institute for Museum Services is included elsewhere.

Providing support for the arts and humanities, museums and public broadcasting is an important Federal function, but Federal funds are only a small part of total revenues for these purposes. Primary support

comes from communities, individuals, foundations, state and local governments and foundations. The \$1 billion level is an adequate contribution from the Federal government.

CRIME

JUSTICE: Crime Initiative, Including Community Policing, Cops on the Beat, and Police Corps (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Budget authority.....	390	700	850	900	950	2,839	3,789
Outlays.....	210	521	725	842	918	2,298	3,216

-- This investment proposal augments many aspects of the criminal justice system with increased resources and by promoting innovative new law enforcement practices which address the increasing violent crime throughout the country. A Community Policing/Cops on the Beat program (+\$300 million by 1997) will provide grants to localities to ensure safer communities and an increased police presence, while the Police Corps program will provide educational stipends to would-be police officers to increase the number of high quality and educated police officers on our streets. A Brady Bill/Criminal Records Upgrade initiative (+\$150 million annually) will provide assistance to States to upgrade criminal records systems to ensure that guns stay out of the hands of dangerous criminals. These programs were all included in the 1992 Crime Bill which went to conference but was not enacted. The proposal also includes funds to increase the effectiveness and capacity of the Federal law enforcement and prison systems.

National Defense (050)

National Defense Program will be affordable

The budget for the National Defense (050) function reflects a path that will lead to a 1997 level of discretionary outlays of \$249.1 billion.

- This fulfills the promise of an additional \$60 billion of 1994-7 budget authority reductions in national defense programs.
- In addition, it includes pay and benefit changes resulting in \$6 billion of 1997 outlay reductions, consistent with the President's call for shared sacrifice and government-wide pay policy.
- The \$60 billion pledge assumed the inherited program was fully funded.
 - oo We believe this assumption may be incorrect and have created a task force to review this issue.
 - oo As a prudent hedge and to maintain our pledge of honest budgeting and sound management we have revised upward our estimate of the cost of the Bush program. We have projected an additional \$5 billion in 1997 outlay reductions that may be required to compensate for this increase.
 - oo If the task force determines that the underfunding is real, we will take its conclusion into account in our review of long-term defense plans this spring, and seek further economies through new management initiatives and better structuring of the Department through roles and missions changes.
- Program savings combined with government-wide pay and benefit changes and additional reductions to offset projected under-funding result in total outlay reductions of \$37 billion in 1997.

Post-Cold War military forces will be shaped for new requirements and highly ready:

- 1.4 million men and women on active duty,
- capable forward presence of roughly 100,000 troops in Europe, and
- we are determined to avoid a hollow military; force readiness will be maintained at high levels.

Hardware programs:

- major weapons systems will be assessed as the entire Defense program is reviewed this Spring,
- systems will continue our technological superiority,
- airlift and sealift adequate for new challenges,
- funding for SDI will be reduced, pending a strategic review, and
- science and technology programs remain a high priority.

Department of Energy Defense Programs

- 3% real increase (after inflation) per year for environmental clean-up, and
- no nuclear weapons production and only 15 tests of weapons through 1996.

To ameliorate the economic effects of reductions, the plan includes new initiatives for defense conversion:

- \$456 million in 1997 and \$1.3 billion in 1994-97 for the Department of Defense for dual-use technology and manufacturing programs,
- \$20 million in 1997 and \$65 million in 1994-97 for DOD's Office of Economic Adjustment and \$44 million in 1997 and \$97 million in 1994-97 for the Economic Development Administration in the Department of Commerce for community diversification programs,
- About \$4 billion in 1997 and about \$9 billion in 1994-97 in investment initiatives of the Departments of Energy, Transportation and Commerce and NASA for technology programs and high technology product acquisition, which will create "market pull" for defense industries and their workforce,
- \$2 billion in 1997 and \$5.4 billion in 1994-97 to the Department of Labor for dislocated worker training, and
- \$100 million in 1994-97 for the Department of Energy for training, employee assistance, and community assistance programs.

National Defense funding summary:

TABLE 1. DEFENSE DISCRETIONARY PROPOSALS
(in billions of dollars)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1997</u>	<u>1997</u>	<u>1998</u>
Current Bush Adjusted Baseline:						
Budget Authority		275.5	278.0	278.3	284.6	293.4
Outlays		284.4	284.3	284.6	286.5	289.0
Proposed Policy Changes:						
Budget Authority		-11.8	-15.2	-24.5	-36.2	-39.2
Outlays		-6.7	-11.7	-19.7	-37.4	-36.3
Proposed Defense Discretionary:						
Budget Authority	274.4	263.7	262.8	253.8	248.4	254.2
Outlays	294.3	277.7	272.6	264.9	249.1	252.7

Note: These estimates do not include the Investment and Stimulus Initiatives for "Defense Conversion" and "Energy Efficiency in Federal Buildings."

DEFENSE CONVERSION

DEFENSE: Defense Conversion (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>Dual-use Technology</u>							
Budget authority.....	260	450	465	480	500	1,655	2,155
Outlays.....	133	322	420	456	480	1,331	1,811
<u>Office of Economic Adjustment</u>							
Budget authority.....	12	20	20	20	20	72	92
Outlays.....	9	17	20	20	20	66	86
<u>Economic Development</u>							
<u>Administration (Commerce)</u>							
Budget authority.....	33	55	55	55	55	198	253
Outlays.....	3	16	33	44	53	96	149

- This investment initiative provides funds to the Department of Defense for dual-use technology and manufacturing programs which leverage the high technology skills of defense workers and companies to the benefit of the civilian economy and to the Office of Economic Adjustment and the Economic Development Administration to help communities affected by the defense drawdown.
- This initiative, when combined with other investment programs for training, civilian technology and community development, will provide a broad based program for defense reinvestment and transition to assist people, communities and industry formerly involved with defense work transition to civilian activities.
- The other investment initiatives that offer defense reinvestment and transition assistance include \$2 billion to the Department of Labor for dislocated worker training programs and over \$4 billion to NASA and the Departments of Energy, Transportation and Commerce for priority technology programs and high technology product acquisition.
- The overall defense reinvestment and transition program will be coordinated by the Executive Office of the President and interagency committees.

DRUG CONTROL FUNDING

Currently, Drug Control funding levels cannot be accurately tabulated due to prioritizing taking place within agencies. The total "Drug Budget" involves approximately 21 Agencies and as many as 83 different programs with drug-related accounts. Until agencies have sorted out their budgets, it will be impossible to present solid drug funding levels. However, there are a number of initiatives, both plus and minus.

Specifically, there will be a greater emphasis on **Drug Demand Reduction** programs, especially in Drug Treatment, as well as increased State and Local Law Enforcement funding such as Community Policing ("Cops on the Beat"), and Police Corps. The following outlines the principle pluses and minuses we expect:

ESTIMATED INCREASE/DECREASE FROM BASELINE

(Budget authority in millions of dollars)

Demand Reduction Programs	<u>1994</u>	<u>1997</u>	<u>Comments</u>
-- Treatment	+150	+900	Grants Assistance
State/Local Law Enforcement Programs			
-- Community Policing/"Cops on the Beat	+125	+300	Not 100 percent drugs. Part of Last Year's Crime Bill (not enacted).
-- Police Corps	+75	+150	Not 100 percent drugs. Part of Last Year's Crime Bill (not enacted).
International/Interdiction			
-- State	-50-100	-100-500	Overseas Counter Narcotics Programs to be held at FY 1993 levels pending review of overseas drug strategy.

FEDERAL PAY RAISE

FEDERAL PAY RAISE (Non-Defense Discretionary Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Budget authority.....	-1,427	-1,992	-2,301	-2,761	-2,977	-8,481	-11,458
Outlays.....	-1,361	-1,963	-2,281	-2,741	-2,965	-8,346	-11,311

Under current law, Federal civilians will receive a two-tiered pay raise each year beginning in FY 1994: (1) A national schedule adjustment based on change in the Employment Cost Index (ECI); and (2) locality pay raises based on BLS salary surveys of non-Federal workers in local areas. Both raises take effect in January. This option eliminates both the ECI-based and locality pay raises in FY94, reduces the ECI-based increase by 1 percent each year FY95-97, and substitutes a revised and less costly locality pay system beginning in FY95.

GRAZING FEES

AGRICULTURE/INTERIOR: Grazing Fees (Entitlement Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Agriculture.....	-2	-5	-8	-13	-19	-28	-47
Interior.....	-4	-8	-14	-22	-32	-48	-80

Collections in FY 1993 are estimated to total \$35 million. This proposal would increase the FY 1992 grazing fee of \$1.92 per animal unit month annually by 33 percent until the fair market value of public land and National Grassland grazing in the 17 Western states is reached. It would phase-in the fee increase to be sensitive to public land dependent ranchers. Environmental interests and non-public land ranchers will support the elimination of "subsidized grazing".

This proposal would continue and expand both mandatory and discretionary range improvements funded through receipts at the Bureau of Land Management (DOI) and Forest Service (USDA) respectively. This approach allows greater management flexibility in targeting range improvement funds to high-priority projects (e.g., stream and other range areas damaged by overgrazing).

NATIONAL SERVICE

MULTI-AGENCY: National Service (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Budget authority.....	389	1,250	2,400	3,400	3,400	7,439	10,839
Outlays.....	98	1,042	1,890	3,000	3,400	6,030	9,430

- This initiative would implement one of the President's four main campaign themes. A national service program would be established to help broaden opportunities for education, emphasize individual responsibility, build community, and revitalize the civic spirit.
- Proposal would finance 30,000 service opportunities in FY 1993 and would grow each year thereafter through FY 1997.
- Increases access to resources for financing post-secondary education and provides services in local communities.

NATIONAL SERVICE PROGRAM (Stimulus Proposal)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Budget authority.....	15	---	---	---	---	---
Outlays.....	12	3	---	---	---	---

This proposal will be the first step in developing a national service program. It will launch a high-profile effort and capture the public imagination, train a core group of leaders who will be ready to serve when national service legislation is enacted, and quickly demonstrate the good that national service can do. The program would involve 1,000 participants at four residential sites during the summer of 1993.

RECREATION FEES

AGRICULTURE/INTERIOR/CORPS OF ENGINEERS: Recreation Fees (Entitlement Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Corps of Engineers.....	-18	-18	-18	-18	-18	-72	-90
Interior.....	-29	-34	-39	-45	-50	-147	-197
Agriculture.....	-11	-12	-13	-15	-15	-51	-66

Collections in 1993 are estimated to total \$135 million. This proposal expands Federal agency authorities to charge new recreation fees and increase existing fees for Federal facilities providing public recreation. The receipts would (subject to appropriations) be used to offset operations and maintenance costs of facilities at recreation areas. With the exception of the National Park Service, no new fees or increases in existing fees will exceed \$3 per site or activity.

Within the Department of the Interior, the National Park Service, Bureau of Land Management, and Fish and Wildlife Service propose new fees or increases in existing fees. The National Park Service proposes to expand the number of national parks authorized to charge \$10 per vehicle or \$5 per person; establish a surcharge on oversize vehicles requiring special accommodations; increase the number of parks with entrance fees; and amend laws that preclude entrance fees at certain park units. BLM will increase the number of facilities at which it collects fees and increase the current special-use permit charges and sell more permits. Fish and Wildlife Service will increase its entrance fees from a current average of \$3 to an average of \$5 per vehicle.

Within the Department of Agriculture, the Forest Service proposes to add entrance fees for specific recreation areas, along with additional user fees for activities such as boat launching and picnic sites. Fees will generally range from \$1 to \$9 per daily use by a person or family of a camp site or boat ramp.

The Corps of Engineers proposes to increase fees for day use facilities, such as swimming beaches, picnic sites and boat launching areas, along with eliminating the currently required free camping area. Fees will generally range from \$1 to \$6 per daily use by a person or family of a camp site or boat ramp.

By comparison, the entrance fee alone for one day's visit to Disney World for a family of four (2 adults, 2 children) is \$109.

RECREATION FEE QUESTIONS

I. Proposal: Introduce legislation to expand authorities for charging recreation fees and increasing existing fees for Federal facilities providing public recreation benefits.

1. What types of recreation facilities are provided by Federal agencies?

- Recreation facilities covered by this initiative are administered by the Department of the Interior's Bureau of Land Management (BLM), Fish and Wildlife Service, and National Park Service; the Department of Agriculture's Forest Service; and the Army Corps of Engineers.
- The Corps of Engineers manages facilities at 459 water resource projects.
- The Forest Service (156 national forests), National Park Service (367 units), and Bureau of Land Management (270 million acres) manage widely diverse facilities located on large tracts of land managed by each agency.
- The Fish and Wildlife Service manages recreation facilities at 30 national wildlife refuges it manages.
- The common types of recreation facilities managed by each agency include camping, swimming, picnic sites, and boat launching ramps.
- Also, the agencies provide visitor information areas, equipped with exhibits and people comfort facilities.

2. What are the magnitudes of the recreation fees collected?

- Actual collections of recreation fees in FY 1992 totalled approximately \$135 million.
- The agencies have different types of fees. For example, the Fish and Wildlife Service and the National Park Service are authorized to collect entrance fees for some of their facilities, while the Corps of Engineers is not authorized to charge entrance fees (and would not be under this proposal).
- The Corps of Engineers collects fees for the use of specific facilities, such as certain types of improved camping areas and group picnic shelters.
- BLM collections include special-use permit fees for authorized uses such as hunting and outfitter trips.
- The Forest Service collects user fees for camping sites.

3. What kind of new fees are proposed?

- The proposal includes new fees along with increases in existing fees that total approximately \$60 million over the FY 1994 baseline. **With the exception of the National Park Service, no new fees or increases in existing fees will exceed \$3 per site activity.**
- The National Park Service proposes to expand the number of national parks authorized to charge \$10 per vehicle or \$5 per person (see attached list); establish a surcharge for oversize vehicles requiring special accommodations; increase the number of parks with entrance fees; and amend laws that preclude entrance fees at certain of its facilities (see below for list of existing and proposed \$10 parks).
- The Corps of Engineers proposes to increase fees for day use facilities, such as swimming beaches, picnic sites and boat launching areas, along with eliminating the currently required free camping area. Fees will generally range from \$1 to \$6 per daily use of a person or family of a camp site or boat ramp.
- The Forest Service proposes to add entrance fees for specific recreation areas, along with additional user fees for activities such as boat launching and picnic sites. Fees will generally range from \$1 to \$9 per daily use of a person or family of a camp site or boat ramp.
- BLM will increase the number of facilities at which it collects fees and increase the current special-use permit charges or add new permits.
- Fish and Wildlife Service will increase its entrance fees from \$3 to \$5 per vehicle.
- Will keep special passes such as the following:
 - Golden Age and Golden Access Passport which allows senior and handicapped citizens to receive a 50 percent reduction on Federal user fees and 100 percent discount on entrance fees.

- Golden Eagle Pass which costs \$25 per calendar year and allows holder entrance into national parks where entrance fees are authorized.

National Parks Currently Charging \$10 Entry

Yellowstone
Grand Teton
Grand Canyon

National Parks Proposed to Charge \$10 Entry

Yosemite
Rocky Mountain
Big Bend
Everglades
Glacier
Hawaii Volcanoes
Mesa Verde
Mount Ranier
Sequoia
Zion

TAX INCENTIVES

TREASURY: Tax Incentives (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
Alternative minimum tax exception for gifts of appreciated tangible property (Outlays)....	70	73	75	77	79	295	374
Capital gains exclusion on original issue, small business stock (Outlays)	12	93	155	207	247	467	714
Earned income tax credit (EITC) (Outlays).....	525	6,228	6,445	6,662	6,927	19,860	26,787
Employer provided education assistance (Outlays).....	425	458	492	528	565	1,903	2,468

Health insurance deduction for self-employed (Outlays).....	313	---	---	---	---	313	313
High speed rail bonds (Outlays).....	---	1	4	11	20	16	36
Low-income housing tax credit (Outlays).....	214	478	791	1,114	1,442	2,597	4,039
Mortgage Revenue Bonds (Outlays).....	104	145	160	172	174	581	755
R&E tax credit (Outlays)	1,207	1,503	1,750	1,977	2,200	6,437	8,637
Real estate investment (Outlays).....	254	387	164	17	-158	822	664
Small issue manufacturing bonds (Outlays).....	14	28	35	37	114	151	
Targeted jobs tax credit (Outlays).....	170	327	406	496	605	1,399	2,004
Railroad retirement fund transfer (Outlays).....	---	---	---	---	---	---	---

- The earned income tax credit provides refundable tax credits to low-income working families with children. The credit would be adjusted so that more working families would be brought out of poverty.
- Mortgage Revenue Bonds reduce interest rates on mortgages to low- and moderate-income, first-time home buyers. It financed the acquisition of 120,000 homes in 1991.
- Extending Mortgage Revenue Bonds (MRBs) will create 37,000 jobs in 1993 and 63,000 each year thereafter, according to the National Association of Homebuilders.

TECHNOLOGY

COMMERCE (NIST): Networking and Computer Applications (Stimulus Proposal)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Budget authority.....	14	---	---	---	---	---
Outlays.....	11	3	---	---	---	---

This proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the Office of Science and

Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

HHS: National Institutes of Health (High Performance Computing and Communications)
(Stimulus Proposal)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Budget authority.....	9	---	---	---	---	---
Outlays.....	6	3	---	---	---	---

Funds are included to develop applications of advanced computer and networking technology for health care. Based on a bill introduced in 1992 by Vice President Gore, this investment would expand the multi-agency High Performance Computing and Communications initiative. At NIH, the specific applications would include networks to link hospitals, doctor's offices, and universities so health care providers and researchers can share medical data and imagery, such as CAT scans and X-rays. NIH would also develop new software for manipulating medical imagery and data.

MULTI-AGENCY: Federal Coordinating Council for Science, Engineering, and Technology --
Research Initiatives (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Budget authority.....	184	369	432	496	561	1,481	2,042
Outlays.....	100	266	383	457	514	1,206	1,720

- FY 1993 - \$11.8 billion for six major research initiatives.
- Provides an effective and coordinated mechanism to conduct nationally important research that is focused on some of the most pressing social issues (i.e., environment and education) and potentially rewarding technical areas (i.e., computing, materials, manufacturing, biotechnology). The outcome of all of these areas can contribute to the nation's economic growth.
- The FCCSET process exists and can be continued with little change.

MULTI-AGENCY: Government Automation and Efficiency (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>Modernize IRS computer system</u>							
Budget authority.....	98	569	724	731	454	2,122	2,576
Outlays.....	58	404	602	696	489	1,760	2,249

-- FY 1993 - \$565 million.

-- Tax System Modernization (TSM) is an ongoing, \$8 billion, decade-long (FY 1990 - FY 2001) effort to modernize the IRS tax collection operations. Over the long term, TSM will enable the IRS to move from an antiquated and disjointed computer system to an up-to-date, automated approach to processing taxes. It will improve service to tax payers, reduce burden placed on the public, support improved compliance efforts, and lower operations and maintenance costs.

-- Treasury/IRS estimate the additional funding will support an average of 5,200 jobs per year.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>Modernize Social Security Administration computer system</u>							
Administrative limitation.....	45	75	75	75	75	270	345
Budget authority.....	100	170	170	170	170	610	780
Outlays.....	145	245	245	245	245	880	1,125

-- To meet current and future workloads, the Social Security Administration (SSA) and State Disability Determination Services (DDS's) must move from their labor-intensive, paper-driven processes to one of automation. The proposal would invest in the pilot-tested Intelligent Workstations and Local Area Networks (ISW/LAN), creating a standard, state-of-the-art computing network for all of SSA and DDS's. The investment funding includes modular workstations, and design/site preparation/installation.

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>OMB computer initiative</u>							
Budget authority.....	1	3	3	2	1	9	10
Outlays.....	1	3	3	2	1	9	10

-- Funds OMB's enhanced computer systems. These initiatives are a logical extension of the FY 1990 to FY 1994 plan. In total, they will provide the capabilities required to respond to expected workload requirements.

MULTI-AGENCY: High Performance Computing (Investment Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>(NSF, NIH, NASA, NIST)</u>							
Budget authority.....	96	230	300	370	370	996	1,366
Outlays.....	53	158	253	320	362	784	1,146

- FY 1993 - \$0 - New multi-agency program.
- Would build onto an existing program whose aim is to spur gains in U.S. competitiveness by making high performance computing and networking technologies an integral part of the work place.
- Would demonstrate applications such as health care, education, and industrial manufacturing that are strongly supported by the computer industry.
- Could create about 4,500 jobs by FY 1998.

NASA: High Performance Computing and Communications (Stimulus Proposal)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
<u>1993 Supplemental</u>						
Budget authority.....	5	---	---	---	---	---
Outlays.....	3	2	---	---	---	---

This stimulus proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the Office of Science and Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

NATIONAL SCIENCE FOUNDATION: High Performance Computing and Communications (Stimulus Proposal)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
<u>1993 Supplemental</u>						
Budget authority.....	19	---	---	---	---	---
Outlays.....	8	8	3	---	---	---

This stimulus proposal would initiate a program to develop applications that use advanced computers and communication networks to solve problems in health care, education, manufacturing, and access to library information. For example, under a pilot test in Boston, a physician could transmit images (X-rays, CAT scans, photos) quickly to a specialist across town for immediate consultation. This program would be part of the multi-agency High Performance Computing and Communications program and would be coordinated by the Office of Science and Technology Policy's Federal Coordinating Council for Science, Engineering, and Technology (FCCSET).

RESEARCH AND DEVELOPMENT: University R&D Overhead Rates (Non-Defense Discretionary Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97</u> <u>Total</u>	<u>1994-98</u> <u>Total</u>
Budget authority.....	-363	-372	-382	-392	-401	-1,509	-1,910
Outlays.....	-156	-330	-369	-383	-396	-1,238	-1,634

Consistent with the Administration's actions to streamline overhead in Federal departments and agencies, and with a proposal in *Putting People First*, the budgets for civilian R&D grant-making agencies have been adjusted to reflect an upper limit on administrative and facilities-related overhead charges.

TERMINATION OF COMMISSIONS

TERMINATION OF COMMISSIONS (Non-Defense Discretionary Program Savings Proposal)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1994-97 Total</u>	<u>1994-98 Total</u>
<u>Competitiveness Policy</u>							
<u>Council:</u>							
Budget authority....	*	*	*	*	*	*	*
Outlays.....	*	*	*	*	*	*	*
<u>Nat'l Advisory Council on</u>							
<u>Public Service:</u>							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays.....	-1	-1	-1	-1	-1	-4	-5
<u>Nat'l Comm. on Cost of</u>							
<u>Higher Education:</u>							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays.....	-1	-1	-1	-1	-1	-4	-5
<u>Nat'l Comm. on Independent</u>							
<u>Higher Education:</u>							
Budget authority....	-1	-1	-1	-1	-1	-4	-5
Outlays.....	-1	-1	-1	-1	-1	-4	-5
<u>Nat'l Critical Materials</u>							
<u>Council:</u>							
Budget authority....	*	*	*	*	*	*	*
Outlays.....	*	*	*	*	*	*	*
<u>Nat'l Space Council:</u>							
Budget authority....	-1	-2	-2	-2	-2	-7	-8
Outlays.....	-1	-2	-2	-2	-2	-7	-8
<u>Points of Light Initiative</u>							
<u>Foundation:</u>							
Budget authority....	-5	-5	-6	-6	-6	-22	-28
Outlays.....	-5	-5	-6	-6	-6	-22	-28
TOTALS.....	-9	-10	-11	-11	-11	-41	-52
	-9	-10	-11	-11	-11	-41	-52

Note: * indicates less than \$500 thousand.