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OMB SEQUESTRATION UPDATE REPORT  
TO THE PRESIDENT AND CONGRESS  
FOR FISCAL YEAR 2000

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

August 25, 1999

THE DIRECTOR

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Enclosed please find the *OMB Sequestration Update Report to the President and Congress for fiscal year 2000*, as required by the Budget Enforcement Act of 1990 (BEA), as amended.

The report provides current estimates of the status of discretionary spending and the discretionary limits. It also provides the status of pay-as-you-go legislation based on reports transmitted to date. Comparisons with the estimates provided by the Director of the Congressional Budget Office in his report are also included.

The report estimates that no mandatory or discretionary sequestration for FY 2000 is necessary based on legislation enacted as of August 15, 1999. However, if the Taxpayer Refund and Relief Act of 1999 were enacted it would result in a sequester of mandatory programs. In addition, assuming that no additional offsets to discretionary spending are enacted, sequestration would be required for FY 2000 if the funding included in the House and Senate appropriations bills to date and the allocated funding levels for remaining items were enacted. Based on current estimates, no discretionary sequester is projected for FY 1999. Whether sequestration may ultimately be necessary depends, of course, on final Congressional action. A final sequestration report is to be issued within 15 days after Congress adjourns.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew".

Jacob J. Lew  
Director

Enclosure

Identical Letter Sent to The Honorable Albert Gore  
and The Honorable J. Dennis Hastert

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### GENERAL NOTES

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

# I. OVERVIEW

The Budget Enforcement Act of 1997 (BEA of 1997) extended and modified the expiring enforcement requirements of the Budget Enforcement Act of 1990 (BEA of 1990). The BEA of 1997 established limits, or “caps,” for discretionary spending through 2002. It also extended the requirement that legislation affecting direct spending or receipts not result in net costs to the Federal Government. The Transportation Equity Act for the 21st Century (TEA-21) further modified the discretionary spending limits and created new limits for highway and mass transit spending. An across-the-board reduction of non-exempt spending, known as “sequestration,” enforces compliance with these constraints.

The BEA requires that OMB issue reports 1) seven working days after enactment of individual bills, and 2) three times a year on the overall status of discretionary and pay-as-you-go legislation. This report provides OMB’s updated estimates, reflecting legislation for which seven-day reports were sent as

of August 15, 1999. As the BEA requires, the estimates rely on the same economic and technical assumptions as in the President’s 2000 budget, which the Administration transmitted to Congress on February 1, 1999.

As explained later, the current status of legislative action is:

- Assuming that no additional offsets to discretionary spending are enacted, sequestration of discretionary programs would be required if the funding included in the House and Senate appropriations bills to date and the allocated funding levels for remaining items were enacted.
- The current pay-as-you-go scorecard shows a combined savings of \$2.9 billion for 1999 and 2000. However, if the Taxpayer Refund and Relief Act of 1999, which has been approved by Congress, were enacted it would result in a sequester of mandatory programs in each year beginning in 2000.



## II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are funded annually through the appropriations process. The scorekeeping guidelines accompanying the Budget Enforcement Act (BEA) of 1990, as amended by the Omnibus Budget and Reconciliation Act of 1993, and by the Budget Enforcement Act of 1997, identify accounts with discretionary resources. The BEA of 1997 limits, or caps, budget authority and outlays available for discretionary programs each year through 2002. For 1998 and 1999, the BEA of 1997 established three separate categories of discretionary spending: defense, non-defense (excluding violent crime reduction spending), and violent crime reduction spending. For 2000, the law divided discretionary spending into two categories: violent crime reduction spending and all other discretionary

spending. For 2001 and 2002, there is a single category for all discretionary spending.

P.L. 105-178, the Transportation Equity Act for the 21st Century (TEA-21), which was signed into law on June 9, 1998, established new discretionary spending outlay caps for highway and mass transit categories for 1999 through 2003.

OMB monitors compliance with the discretionary spending limits throughout the year. Appropriations that cause a breach in the budget authority or outlay caps would trigger a sequester to eliminate that breach. The law, however, does not require that Congress appropriate the full amount available under the discretionary limits. Table 1 summarizes changes to the caps since 1990.

**Table 1. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS**

(In billions of dollars)

		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>TOTAL DISCRETIONARY</b>													
<b>Statutory Caps as set in OBRA 1990 and OBRA 1993</b> .....	<b>BA</b>	<b>491.7</b>	<b>503.4</b>	<b>511.5</b>	<b>510.8</b>	<b>517.7</b>	<b>519.1</b>	<b>528.1</b>	<b>530.6</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>514.4</b>	<b>524.9</b>	<b>534.0</b>	<b>534.8</b>	<b>540.8</b>	<b>547.3</b>	<b>547.3</b>	<b>547.9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Adjustments for changes in concepts and definitions .....	BA	.....	7.7	8.2	8.2	8.8	-0.6	-0.4	3.1	N/A	N/A	N/A	N/A
	OL	.....	1.0	2.4	2.3	3.0	-0.5	-2.6	-2.8	N/A	N/A	N/A	N/A
Adjustments for changes in inflation .....	BA	.....	-0.5	-5.1	-9.5	-11.8	3.0	2.6	0.0	N/A	N/A	N/A	N/A
	OL	.....	-0.3	-2.5	-5.8	-8.8	1.8	2.3	0.9	N/A	N/A	N/A	N/A
Adjustments for credit reestimates, IRS funding, debt forgive- ness, IMF, and CDRs .....	BA	0.2	0.2	13.0	0.6	0.7	0.1	0.2	0.1	N/A	N/A	N/A	N/A
	OL	0.3	0.3	0.8	0.8	0.9	0.1	0.3	0.1	N/A	N/A	N/A	N/A
Adjustments for emergency requirements .....	BA	0.9	8.3	4.6	12.2	7.7	5.1	1.6	.....	N/A	N/A	N/A	N/A
	OL	1.1	1.8	5.4	9.0	10.1	6.4	5.4	1.7	N/A	N/A	N/A	N/A
Adjustment pursuant to Sec. 2003 of P.L. 104-19 <sup>1</sup> .....	BA	.....	.....	.....	.....	-15.0	-0.1	-0.1	.....	N/A	N/A	N/A	N/A
	OL	.....	.....	.....	.....	-1.1	-3.5	-2.4	-1.5	N/A	N/A	N/A	N/A
Adjustments for special allowances: Discretionary new budget authority .....	BA	.....	3.5	2.9	2.9	2.9	.....	.....	.....	N/A	N/A	N/A	N/A
	OL	.....	1.4	2.2	2.6	2.7	1.1	0.5	0.1	N/A	N/A	N/A	N/A
Outlay allowance .....	BA	.....	.....	.....	.....	.....	.....	.....	.....	N/A	N/A	N/A	N/A
	OL	2.6	1.7	0.5	1.0	.....	.....	.....	.....	N/A	N/A	N/A	N/A
Subtotal, adjustments excluding Desert Shield/Desert Storm	BA	1.1	19.2	23.6	14.3	-6.7	7.5	4.0	3.1	N/A	N/A	N/A	N/A
	OL	3.9	5.9	8.8	10.0	6.8	5.5	3.7	-1.5	N/A	N/A	N/A	N/A
Adjustments for Operation Desert Shield/Desert Storm .....	BA	44.2	14.0	0.6	*	*	.....	.....	.....	N/A	N/A	N/A	N/A
	OL	33.3	14.9	7.6	2.8	1.1	.....	.....	.....	N/A	N/A	N/A	N/A
Total adjustments .....	BA	45.4	33.2	24.2	14.3	-6.7	7.5	4.0	3.1	N/A	N/A	N/A	N/A
	OL	37.2	20.8	16.4	12.8	7.8	5.5	3.7	-1.5	N/A	N/A	N/A	N/A
Spending limits as of 2/6/97 <sup>2</sup> .....	BA	537.1	536.6	535.7	525.1	511.0	526.7	532.0	533.8	N/A	N/A	N/A	N/A
	OL	551.6	545.7	550.4	547.6	548.6	552.7	551.0	546.4	N/A	N/A	N/A	N/A
Adjustment to reach discretionary spending limits, included in the 1997 Bipartisan Budget Agreement .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-6.9	N/A	N/A	N/A	N/A
	OL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.9	N/A	N/A	N/A	N/A
Statutory Caps as set in 1997 Bipartisan Budget Agreement <sup>3</sup> .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	526.9	533.0	537.2	542.0	551.1
	OL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	553.3	559.3	564.3	564.4	560.8
Adjustments for changes in concepts and definitions .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	.....	-0.2	-0.1	0.2	0.2
	OL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	.....	-0.3	0.1	-0.1	-0.2
Adjustments for emergency requirements .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	7.7	5.7	30.8	.....	.....	.....
	OL	N/A	N/A	N/A	N/A	N/A	N/A	2.7	5.2	22.6	8.7	3.7	1.7
Adjustments for CDRs, Arrearages, EITC .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	.....	0.9	19.4	.....	.....	.....
	OL	N/A	N/A	N/A	N/A	N/A	N/A	.....	0.5	1.1	0.2	0.1	0.2
Adjustments for Outlay allowance .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	.....	.....	.....	.....	.....	.....
	OL	N/A	N/A	N/A	N/A	N/A	N/A	.....	1.2	.....	.....	.....	.....
TEA-21 Adjustment (Net)** .....	BA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.9	-0.9	-0.9	-0.9
	OL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.1	2.6	4.8	5.4

**Table 1. HISTORICAL SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS—Continued**

(In billions of dollars)

		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>Update Report spending limits</b> <sup>3</sup> .....	<b>BA</b>	<b>537.1</b>	<b>536.6</b>	<b>535.7</b>	<b>525.1</b>	<b>511.0</b>	<b>526.7</b>	<b>539.7</b>	<b>533.5</b>	<b>582.1</b>	<b>536.3</b>	<b>541.3</b>	<b>550.4</b>
	<b>OL</b>	<b>551.6</b>	<b>545.7</b>	<b>550.4</b>	<b>547.6</b>	<b>548.6</b>	<b>552.7</b>	<b>553.7</b>	<b>560.2</b>	<b>583.9</b>	<b>575.8</b>	<b>572.9</b>	<b>567.8</b>

\* Less than \$50 million.

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

<sup>2</sup> Reflects combined General Purpose Discretionary and Violent Crime Reduction Discretionary spending limits.

<sup>3</sup> Reflects combined Defense Discretionary, Non-Defense Discretionary, Violent Crime Reduction, Highway Category, and Mass Transit Category spending limits.

\*\* Sec. 8101(a) of P.L. 105-178, the Transportation Equity Act for the 21st Century (TEA-21), which was signed by the President on June 6, 1998, established two new discretionary spending categories: Highway and Mass Transit. Sec. 8101(b) of TEA-21 provided for an offsetting adjustment in the existing discretionary spending limits.



**Table 2. DISCRETIONARY SPENDING LIMITS**

(In millions of dollars)

		1998	1999	2000	2001	2002
<b>DEFENSE DISCRETIONARY SPENDING</b>						
<b>Preview Report Defense Discretionary Spending Limits</b>	<b>BA</b>	<b>271,832</b>	<b>276,047</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>269,079</b>	<b>270,420</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Adjustments for the Update Report:</b>						
Emergency Appropriations Enacted in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations and Rescissions Bill .....	BA .....		4,066	N/A	N/A	N/A
	OL .....		3,018	N/A	N/A	N/A
Contingent Emergency Appropriations Released .....	BA .....		6,465			
	OL .....		2,294			
<b>Subtotal, Anticipated Adjustments</b> .....	<b>BA</b> .....		<b>10,531</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b> .....		<b>5,312</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Update Report Defense Discretionary Spending Limits</b> ...	<b>BA</b>	<b>271,832</b>	<b>286,578</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>269,079</b>	<b>275,732</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Anticipated Other Adjustments for the End-of-Session Sequestration Report:</b>						
Anticipated release of contingent emergency funding .....	BA .....		1,657	N/A	N/A	N/A
	OL .....		294	N/A	N/A	N/A
<b>Subtotal, Anticipated Adjustments</b> .....	<b>BA</b> .....		<b>1,657</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b> .....		<b>294</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Anticipated End-of-Session Sequestration Report Limits</b>	<b>BA</b>	<b>271,832</b>	<b>288,235</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>269,079</b>	<b>276,026</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>NON-DEFENSE DISCRETIONARY SPENDING, EXCLUDING VIOLENT CRIME REDUCTION, HIGHWAY, AND MASS TRANSIT CATEGORY SPENDING</b>						
<b>Preview Report Non-Defense Discretionary, Spending Limits</b> .....	<b>BA</b>	<b>256,148</b>	<b>284,533</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>286,325</b>	<b>274,324</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Adjustments for the Update Report:</b>						
Emergency Appropriations Enacted in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations and Rescissions Bill .....	BA .....		1,265	N/A	N/A	N/A
	OL .....		634	N/A	N/A	N/A
Contingent Emergency Appropriations Released .....	BA .....		3,937	N/A	N/A	N/A
	OL .....		1,856	N/A	N/A	N/A
<b>Subtotal, Adjustments for the Update Report</b> .....	<b>BA</b> .....		<b>5,202</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b> .....		<b>2,490</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Update Report Spending Limits</b> .....	<b>BA</b>	<b>256,148</b>	<b>289,735</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>286,325</b>	<b>276,814</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Anticipated Further Adjustments for the End-of-Session Sequestration Report:</b>						
Anticipated release of contingent emergency funding .....	BA .....		412	N/A	N/A	N/A
	OL .....		148	N/A	N/A	N/A
<b>Subtotal, Anticipated Adjustments</b> .....	<b>BA</b> .....		<b>412</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b> .....		<b>148</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Anticipated End-of-Session Sequestration Report Limits</b>	<b>BA</b>	<b>256,148</b>	<b>290,147</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>286,325</b>	<b>276,962</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Table 2. DISCRETIONARY SPENDING LIMITS—Continued**

(In millions of dollars)

		1998	1999	2000	2001	2002
<b>VIOLENT CRIME REDUCTION SPENDING</b>						
<b>Preview Report Violent Crime Reduction Spending Limits</b>	<b>BA</b>	<b>5,500</b>	<b>5,800</b>	<b>4,500</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>4,833</b>	<b>4,953</b>	<b>5,554</b>	<b>N/A</b>	<b>N/A</b>
<b>Adjustments for the Update Report:</b>						
No Adjustments	BA				N/A	N/A
	OL				N/A	N/A
<b>Update Report Violent Crime Reduction Spending Limits</b>	<b>BA</b>	<b>5,500</b>	<b>5,800</b>	<b>4,500</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>4,833</b>	<b>4,953</b>	<b>5,554</b>	<b>N/A</b>	<b>N/A</b>
<b>Anticipated Other Adjustments for the End-of-Session Sequestration Report:</b>						
Special Outlay Allowance	BA				N/A	N/A
	OL			646	N/A	N/A
<b>Anticipated End-of-Session Sequestration Report Limits</b>	<b>BA</b>	<b>5,500</b>	<b>5,800</b>	<b>4,500</b>	<b>N/A</b>	<b>N/A</b>
	<b>OL</b>	<b>4,833</b>	<b>4,953</b>	<b>6,200</b>	<b>N/A</b>	<b>N/A</b>
<b>HIGHWAY CATEGORY</b>						
<b>Preview Report Highway Category Spending Limits</b>	<b>BA</b>	<b>N/A</b>				
	<b>OL</b>	<b>N/A</b>	<b>21,991</b>	<b>24,574</b>	<b>26,219</b>	<b>26,663</b>
<b>Adjustments for the Update Report:</b>						
No Adjustments	BA	N/A				
	OL	N/A				
<b>Update Report Highway Category Spending Limits</b>	<b>BA</b>	<b>N/A</b>				
	<b>OL</b>	<b>N/A</b>	<b>21,991</b>	<b>24,574</b>	<b>26,219</b>	<b>26,663</b>
<b>Anticipated Other Adjustments for the End-of-Session Sequestration Report:</b>						
No Adjustments	BA	N/A				
	OL	N/A				
<b>Anticipated End-of-Session Sequestration Report Limits</b>	<b>BA</b>	<b>N/A</b>				
	<b>OL</b>	<b>N/A</b>	<b>21,991</b>	<b>24,574</b>	<b>26,219</b>	<b>26,663</b>
<b>MASS TRANSIT CATEGORY</b>						
<b>Preview Report Mass Transit Category Spending Limits</b>	<b>BA</b>	<b>N/A</b>				
	<b>OL</b>	<b>N/A</b>	<b>4,401</b>	<b>4,117</b>	<b>4,888</b>	<b>5,384</b>
<b>Adjustments for the Update Report:</b>						
No Adjustments	BA	N/A				
	OL	N/A				
Update Report Mass Transit Category Spending Limits	BA	N/A				
	OL	N/A	4,401	4,117	4,888	5,384
<b>Anticipated Other Adjustments for the End-of-Session Sequestration Report:</b>						
No Adjustments	BA	N/A				
	OL	N/A				
Anticipated End-of-Session Sequestration Report Limits	BA	N/A				
	OL	N/A	4,401	4,117	4,888	5,384

**Table 2. DISCRETIONARY SPENDING LIMITS—Continued**

(In millions of dollars)

		1998	1999	2000	2001	2002
<b>OTHER DISCRETIONARY SPENDING</b>						
<b>Preview Report Other Discretionary Spending Limits</b> .....	BA	N/A	N/A	531,771	541,324	550,382
	OL	N/A	N/A	536,700	539,940	534,972
<b>Adjustments for the Update Report:</b>						
Emergency Appropriations Enacted in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations and Rescissions Bill .....	BA	N/A	N/A	.....	.....	.....
	OL	N/A	N/A	1,129	292	160
Contingent Emergency Appropriations Released .....	BA	N/A	N/A	.....	.....	.....
	OL	N/A	N/A	3,745	1,603	621
<b>Subtotal, Adjustments for the Update Report</b> .....	BA	N/A	N/A	.....	.....	.....
	OL	N/A	N/A	4,874	1,895	781
<b>Update Report Other Discretionary Spending Limits</b> .....	BA	N/A	N/A	531,771	541,324	550,382
	OL	N/A	N/A	541,574	541,835	535,753
<b>Anticipated Further Adjustments for the End-of-Session Sequestration Report:</b>						
EITC Tax Compliance Initiative .....	BA	N/A	N/A	144	145	146
	OL	N/A	N/A	144	145	146
Continuing Disability Reviews (CDRs) .....	BA	N/A	N/A	405	405	405
	OL	N/A	N/A	373	405	405
UN Arrearage Payments (Commerce/Justice/State bill) .....	BA	N/A	N/A	409	.....	.....
	OL	N/A	N/A	.....	409	.....
Adoption Incentive Payments .....	BA	N/A	N/A	20	20	20
	OL	N/A	N/A	2	13	20
Expected Release of Contingent Emergency Funding .....	BA	N/A	N/A	2,401	.....	.....
	OL	N/A	N/A	2,738	754	290
<b>Subtotal, Anticipated Adjustments</b> .....	BA	N/A	N/A	3,379	570	571
	OL	N/A	N/A	3,257	1,726	861
<b>Anticipated End-of-Session Sequestration Report Limits</b>	BA	N/A	N/A	535,150	541,894	550,953
	OL	N/A	N/A	544,831	543,561	536,614
<b>TOTAL DISCRETIONARY SPENDING</b>						
<b>Preview Report Total Discretionary Spending Limits</b> .....	BA	533,480	566,380	536,271	541,324	550,382
	OL	560,237	576,089	570,945	571,047	567,019
<b>Update Report Total Discretionary Spending Limits</b> .....	BA	533,480	582,113	536,271	541,324	550,382
	OL	560,237	583,891	575,819	572,942	567,800
<b>Anticipated End-of-Session Total Discretionary Spending Limits</b> .....	BA	533,480	584,182	539,650	541,894	550,953
	OL	560,237	584,333	579,722	574,668	568,661

**Adjustments to discretionary limits.**—Table 2 shows how adjustments pursuant to section 251(b) of the BEA of 1997 affect the discretionary limits.

Section 251(b)(2) of the BEA authorizes certain adjustments after the enactment of appropriations. Table 2 includes those adjustments that can be made now due to legislation enacted to date. Table 2 also includes adjust-

ments that would be made assuming enactment of the President's proposals. The Administration cannot determine the actual adjustments to be included in the final sequestration report at the end of this year's session of Congress until all appropriations are enacted. The section 251(b)(2) adjustments include:

*Emergency Appropriations.*—Funding for amounts that the President designates as “emergency requirements” and that Congress so designates in law. Since the President submitted the 2000 budget in February, Congress has enacted emergency supplemental appropriations requested for Department of Defense operations associated with the NATO-led Operation Allied Force in Kosovo, for the victims of natural disasters, including hurricane Mitch in Central America, and for agricultural disasters within the United States.

Further, the President has authorized the release of additional emergency appropriations that were previously enacted to support the Administration’s efforts in addressing the year-2000 computer conversion problem, natural disasters, security for Americans abroad, and to support the needs of States that have experienced extremely hot weather conditions.

Title VIII of TEA–21 established guaranteed funding levels and associated spending caps for certain transit and highway programs. Sections 8101(a) and (b) amended the BEA for the establishment of those spending limits, and for an offsetting adjustment (both budget authority and outlays) in the existing discretionary spending limits. TEA–21 also provided that certain adjustments would be made in the sequestration preview report when the President submits his budget each year to align highway spending with receipts in the highway trust fund and to reflect any changes in technical estimates regarding highway and transit funding since the enactment of TEA–21. Any outlays in excess of the discretionary spending limit set for the for the highway or mass transit category, as adjusted, for the budget year would be considered non-defense category outlays or discretionary category outlays.

***Additional Adjustments that Would Be Made Contingent Upon Final Congressional Action.***—Table 2 also shows how adjustments permitted under section 251(b) of the BEA would affect the discretionary limits if the following were included in 2000 appropriations bills.

*Earned Income Tax Credit (EITC) Compliance Initiative.*—The budget contains funding

for EITC compliance initiatives, including the detection and enforcement of EITC eligibility in order to reduce EITC overpayments. Both the House and the Senate versions of the 2000 Treasury and General Government appropriations bill provide \$144 million for this initiative.

*Continuing Disability Reviews (CDRs).*—The budget includes funding for additional continuing disability reviews under the heading “Limitation on Administrative Expenses” for the Social Security Administration. CDRs are conducted to verify that recipients of Social Security disability insurance benefits and Supplemental Security Income benefits for persons with disabilities continue to meet the definition of disability. At this point in time, neither the House or Senate has acted on the 2000 Labor, Health and Human Services, Education and Related Agencies appropriations bill.

*Allowance for U.N. and Multilateral Development Bank (MDB) International Arrearages funding.*—The BEA limited the amount of the cap adjustment for funding for arrearages for international organizations, international peacekeeping, and multilateral development banks to \$1.884 billion for 1998 through 2000. The budget requested \$409 million for international MDB arrearage payments. Approximately \$351 million is provided for this purpose in the House version of the 1999 Commerce, Justice, State and Related Agencies appropriations bill; \$244 million is provided in the Senate version of the bill.

*Adoption Incentive Payments.*—The Adoption and Safe Families Act of 1997 authorizes bonus payments to States that increase the number of adoptions from the foster care system. It provides for a discretionary cap adjustment for appropriations up to \$20 million annually in each of the years 1999 through 2003. It is assumed that the cost of adoption bonuses will be offset by reductions in mandatory foster care costs. At this point in time, neither the House or Senate has acted on the 2000 Labor, Health and Human Services, Education and Related Agencies appropriations bill.

*Special Outlay Allowance.*—This allowance was included in the BEA to cover technical scoring differences that result when OMB

scoring exceeds CBO scoring. If, in any year, outlays for a discretionary spending category exceed the spending limit for the category, but new budget authority does not exceed the limit for that category, the special outlay allowance may be used. The outlay adjustment is the amount of the excess spending over the limit. The adjustment cannot exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.

Based on preliminary estimates and assumptions of Congressional action, the special outlay allowance would be required to cover the estimated outlay breach in the Violent Crime Reduction category. If a budget authority sequester were to be required in other

categories, the remaining allowance could be used to address any excess outlays remaining after the required reduction in budget authority. (See “Summary of 2000 discretionary appropriations” for more details)

The actual adjustments to the discretionary spending caps to be included in subsequent sequester reports cannot be determined until all appropriations have been enacted.

**Summary of 1999 discretionary appropriations.**—Table 3 summarizes the status of enacted 1999 discretionary appropriations, relative to the discretionary caps. Enacted budget authority and outlays for 1999, including enacted and released emergency appropriations to date, are within the caps for all categories.

**Table 3. SUMMARY OF 1999 DISCRETIONARY APPROPRIATIONS**

(In millions of dollars)

	BA	Outlays
<b>Defense Discretionary Spending</b>		
Adjusted discretionary spending limits .....	286,578	275,732
Total enacted .....	286,572	274,475
Spending over/under (-) limits .....	-6	-1,257
<b>Non-Defense Discretionary Spending, Excluding Violent Crime Reduction, Highway, and Mass Transit Spending</b>		
Adjusted discretionary spending limits .....	289,735	276,814
Total enacted .....	289,298	274,964
Spending over/under (-) limits .....	-437	-1,850
<b>Violent Crime Reduction Spending</b>		
Adjusted discretionary spending limits .....	5,800	4,953
Total enacted .....	5,797	4,946
Spending over/under (-) limits .....	-3	-7
<b>Highway Category</b>		
Adjusted discretionary spending limits .....		21,991
Total enacted .....		21,568
Spending over/under (-) limits .....		-423
<b>Mass Transit Category</b>		
Adjusted discretionary spending limits .....		4,401
Total enacted .....		3,942
Spending over/under (-) limits .....		-459

**Table 3. SUMMARY OF 1999 DISCRETIONARY APPROPRIATIONS—Continued**

(In millions of dollars)

	BA	Outlays
<b>Total Discretionary Spending—All Categories</b>		
Adjusted discretionary spending limits .....	582,113	583,891
Total enacted .....	581,667	579,895
Spending over/under (-) limits .....	-446	-3,114

**Status of 2000 discretionary appropriations.**—Table 4 shows preliminary OMB scoring of the latest House and Senate action for the 13 annual appropriations bills. If offsets to discretionary spending are not enacted, OMB estimates of House and Senate action to date would exceed both the budget authority and outlay limits in the following categories.

*Other Discretionary.* Current OMB estimates of House action to date, unless offset, indicate that a sequester of \$3.7 billion in budget authority and \$2.9 billion in outlays would be triggered. Current estimates of Senate action, unless offset, would trigger a budget authority sequester of \$1.1 billion, and an outlay sequester of \$5.0 billion.

OMB estimates of a sequester under House and Senate action to date are based on the following assumptions:

- Bills that have not been acted on are assumed to be funded at the 302(b) allocation.
- The House 302(b) allocation has been used as an estimate of the House-passed Transportation bill as funding for Federal Aviation Administration (FAA) operations was eliminated on the House Floor (OMB assumes that resources under the 302(b) allocation will be used to restore FAA funding).

tion Administration (FAA) operations was eliminated on the House Floor (OMB assumes that resources under the 302(b) allocation will be used to restore FAA funding).

- The spending limits shown for the House and Senate have been adjusted upward for the earned income tax compliance initiative included in the Treasury and General Government appropriations bill and for arrearage payments included in the Commerce, Justice, State and Related Agencies appropriations bill.

In the event that a sequester of budget authority is required, the special outlay allowance could be used to cover any remaining outlay breach not covered by the required reduction in budget authority.

*Violent Crime Reduction.* Estimates of crime spending in the House and Senate exceed the outlay limit by \$646 million and \$445 million, respectively.

*Highway Category.* Estimates of Senate highway category spending exceed the outlay limit by \$6 million.

**Table 4. STATUS OF 2000 APPROPRIATIONS ACTION**

(In millions of dollars)

	House			Senate		
	BA	Outlays		BA	Outlays	
<b>DEFENSE DISCRETIONARY</b>						
Commerce, Justice, State and the Judiciary .....	403	382	F	391	370	F
Defense .....	265,825	254,537	F	261,782	251,324	F
Emergency Advance Appropriation for Pay Raise (non-add) .....	-1,838	-1,794	F <sup>1</sup>	-1,838	-1,794	F <sup>1</sup>
Energy and Water Development .....	11,333	10,965	F	12,611	12,227	F
Military Construction .....	8,373	8,626	CN	8,373	8,626	CN
Transportation .....	300	300	F	534	487	C
Veterans Affairs, HUD, Independent Agencies .....	120	118	C	N/A	N/A	A

**Table 4. STATUS OF 2000 APPROPRIATIONS ACTION—Continued**

(In millions of dollars)

	House			Senate	
	BA	Outlays		BA	Outlays
2000 effects of the 1999 emergency supplemental appropriations and releases of contingent emergency funding .....		3,293			3,293
Total, Defense Discretionary .....	286,354	278,221		283,691	276,327
<b>NON-DEFENSE DISCRETIONARY, EXCLUDING VIOLENT CRIME REDUCTION</b>					
Agriculture and Rural Development .....	13,886	14,440	F	13,962	14,387 C
Commerce, Justice, State and the Judiciary .....	26,917	25,557	F <sup>2</sup>	29,695	28,463 F <sup>2</sup>
Defense .....			F <sup>73</sup>	55	F
District of Columbia .....	428	396	CN	428	396 CN
Energy and Water Development .....	8,771	9,021	F	8,561	8,833 F
Foreign Operations .....	12,674	12,633	F	12,741	12,576 F
Interior and Related Agencies .....	13,886	14,436	F	13,971	14,420 C
Labor, HHS, and Education .....	73,453	75,453	A	80,870	81,406 A
Legislative .....	2,455	2,530	CN	2,455	2,530 CN
Transportation and Related Agencies * .....	12,400	14,594	A	11,501	13,853 C
Treasury, Postal Service, and General Gov't .....	13,323	13,788	F <sup>3</sup>	13,197	13,633 F <sup>3</sup>
Veterans Affairs, HUD, Independent Agencies .....	71,524	82,052	C	6,2357	77,504 A
Difficiencies .....			A		764 A
2000 effects of the 1999 emergency supplemental appropriations, FY 1999 Steel, Oil, and Gas Act, and releases of contingent emergency funding .....		1,522			1,522
Total, Non-Defense Discretionary .....	249,717	266,422		249,811	270,342
<b>VIOLENT CRIME REDUCTION</b>					
Commerce, Justice, State and the Judiciary .....	4,257	6,069	F	4,150	5,896 F
Labor, HHS, and Education .....	N/A	N/A	A	N/A	N/A A
Treasury, Postal Service, and General Gov't .....	132	131	F	194	103 C
Total, Violent Crime Reduction .....	4,389	6,200		4,344	5,999
Estimated End-of-Session Violent Crime Reduction Limits (Excluding Special Outlay Allowance) .....	4,500	5,554		4,500	5,554
CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS .....	-111	646		-156	445
Special Outlay Allowance Used .....		646			445
CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS (Including Special Outlay Allowance) .....	-111			-156	
<b>HIGHWAY CATEGORY</b>					
Transportation and Related Agencies .....		24,574	F		24,580 F
Total, Highway Category .....		24,574			24,580
Estimated End-of-Session Highway Category Limits .....		24,574			24,574
CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS .....					6
<b>MASS TRANSIT CATEGORY</b>					
Transportation and Related Agencies .....		4,117	F		4,117 F
Total, Mass Transit Category .....		4,117			4,117
Estimated End-of-Session Mass Transit Category Limits .....		4,117			4,117
CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS .....					

**Table 4. STATUS OF 2000 APPROPRIATIONS ACTION—Continued**  
(In millions of dollars)

	House			Senate		
	BA	Outlays		BA	Outlays	
<b>TOTAL, DISCRETIONARY SPENDING</b>						
Total Discretionary Spending .....	540,460	579,534	**	537,846	581,365	**
Estimated End-of-Session Discretionary Spending Limits .....	536,766	576,609	***	536,741	576,408	***
CONGRESSIONAL ACTION OVER/UNDER(-) LIMITS .....	3,694	2,925		1,105	4,957	

Key: S = Marked Up by the Subcommittee; C = Bill Reported Out by Committee; F = Bill Passed by House or by Senate; CN = Conference Action has Occurred; A = current 302(b) allocation.

NOTE: OMB scoring of latest House and Senate action is preliminary.

<sup>1</sup> Discretionary spending caps would be adjusted upward by the actual amount of enacted regular emergency funding provided.

<sup>2</sup> House estimates include \$351 million and Senate estimates include \$319 million (\$244 million in Commerce, Justice, State and \$75 million in Foreign Operations) in BA for funding international arrearage payments. The discretionary spending limits would be adjusted upward by the actual amount appropriated.

<sup>3</sup> Estimates include \$144 million in BA and outlays for the Earned Income Tax Credit Initiative (EITC).

\*The House 302(b) allocation has been substituted for House floor action which eliminated funding for FAA operations on a point of order. OMB assumes that all resources under the allocation will be utilized.

\*\* Estimates above include advance appropriations provided in previous years that become available in 2000 and emergency appropriations enacted and released subsequent to transmittal of the 2000 Budget.

\*\*\* Estimated end-of-session limits are based on actual congressional action to date. The actual adjustments to the discretionary spending caps to be included in subsequent sequester reports cannot be determined until all appropriations have been enacted.

**Comparison of OMB and CBO discretionary limits.**—Section 254(d)(5) of the BEA requires that this report explain the differences between OMB and CBO estimates for discretionary spending limits. Table 5 com-

pares OMB and CBO limits for 1998 through 2002. CBO uses the discretionary limits from OMB’s preview report as a starting point for adjustments in its sequestration update report.

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

	1998	1999	2000	2001	2002
<b>Non-Defense Discretionary, Excluding Violent Crime Reduction, Highway, and Mass Transit</b>					
CBO Update Report limits:					
BA .....	256,222	289,952	N/A	N/A	N/A
OL .....	286,136	275,930	N/A	N/A	N/A
OMB Update Report limits:					
BA .....	256,148	289,735	N/A	N/A	N/A
OL .....	286,325	276,814	N/A	N/A	N/A
Difference:					
BA .....	-74	-217	N/A	N/A	N/A
OL .....	189	884	N/A	N/A	N/A
<b>Defense Discretionary</b>					
CBO Update Report limits:					
BA .....	271,832	288,354	N/A	N/A	N/A
OL .....	267,736	274,548	N/A	N/A	N/A
OMB Update Report limits:					
BA .....	271,832	286,578	N/A	N/A	N/A
OL .....	269,079	275,732	N/A	N/A	N/A
Difference:					
BA .....		-1,776	N/A	N/A	N/A
OL .....	1,343	1,184	N/A	N/A	N/A
<b>Violent Crime Reduction</b>					
CBO Update Report limits:					
BA .....	5,500	5,800	4,500	N/A	N/A
OL .....	4,833	4,953	5,554	N/A	N/A



**Table 5. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS—Continued**

(In millions of dollars)

	1998	1999	2000	2001	2002
<b>OMB Update Report limits:</b>					
BA .....	5,500	5,800	4,500	N/A	N/A
OL .....	4,833	4,953	5,554	N/A	N/A
<b>Difference:</b>					
BA .....				N/A	N/A
OL .....				N/A	N/A
<b>Highway Category</b>					
<b>CBO Update Report limits:</b>					
BA .....	N/A				
OL .....	N/A	21,991	24,574	26,219	26,663
<b>OMB Update Report limits:</b>					
BA .....	N/A				
OL .....	N/A	21,991	24,574	26,219	26,663
<b>Difference:</b>					
BA .....	N/A				
OL .....	N/A				
<b>Mass Transit Category</b>					
<b>CBO Update Report limits:</b>					
BA .....	N/A				
OL .....	N/A	4,401	4,117	4,888	5,384
<b>OMB Update Report limits:</b>					
BA .....	N/A				
OL .....	N/A	4,401	4,117	4,888	5,384
<b>Difference:</b>					
BA .....	N/A				
OL .....	N/A				
<b>Other Discretionary</b>					
<b>CBO Update Report limits:</b>					
BA .....	N/A	N/A	533,652	541,332	550,390
OL .....	N/A	N/A	545,503	542,699	536,258
<b>OMB Update Report limits:</b>					
BA .....	N/A	N/A	531,771	541,324	550,382
OL .....	N/A	N/A	541,574	541,835	535,753
<b>Difference:</b>					
BA .....	N/A	N/A	-1,881	-8	-8
OL .....	N/A	N/A	-3,929	-864	-505
<b>Total Discretionary Spending Limits</b>					
<b>CBO Update Report limits:</b>					
BA .....	533,554	584,106	538,152	541,332	550,390
OL .....	558,705	581,823	579,748	573,806	568,305
<b>OMB Update Report limits:</b>					
BA .....	533,480	582,113	536,271	541,324	550,382
OL .....	560,237	583,891	575,819	572,942	567,800
<b>Difference:</b>					
BA .....	-74	-1,993	-1,881	-8	-8
OL .....	1,532	2,068	-3,929	-864	-505

OMB and CBO have a different estimate of budget authority for emergency funding enacted since February. CBO scores budget authority (and associated outlays) for contingent emergency appropriations in the year in which it is appropriated. P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations and Rescissions Act, provided \$4.1 billion in contingent emergency appropriations

that have not yet been released by the President. OMB scores budget authority (and associated outlays) for only those contingent appropriations officially requested for release by the President and designated by the President as emergency requirements.

OMB and CBO also have different estimates of how emergency funding enacted since February will affect outlays, due primarily to

differences in assumptions made regarding the outlays associated with the additional resources provided in P.L. 106–31. That bill contained \$3,907 million in additional funding for the Defense Department’s Overseas contingency operations transfer account. CBO and OMB assumed different outlay patterns for

the additional funding, most notably in 1999 and 2000. CBO scored \$1,680 million in outlays in 1999 and \$1,795 million in outlays in 2000 while OMB scored \$2,911 million in outlay in 1999 and \$778 million in outlays in 2000.



### III. PAY-AS-YOU-GO SEQUESTRATION REPORT

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

The BEA requires that, in total, receipts and direct spending legislation not result in a net cost. If such legislation yields a net cost, and if the President and Congress do not fully offset it by other legislative savings, the law requires that a sequester of non-exempt direct spending programs offset the net cost.

The BEA requires that, within seven working days of the enactment of direct spending or receipts legislation, OMB submit a report to Congress that estimates the resulting change in outlays or receipts for the current year, the budget year, and the following four fiscal years. The estimates, which must

rely on the economic and technical assumptions underlying the most recent President's budget, determine whether the pay-as-you-go requirement is met. The pay-as-you-go process requires that OMB maintain a "scorecard" that shows the cumulative net cost of such legislation.

Table 6 presents OMB estimates of pay-as-you-go legislation included in the individual bill reports issued through August 15, 1999. In total, these bills have resulted in a net cost of \$5 million for 1999 and a net savings of \$2.9 billion for 2000. (As required by the BEA, the 1999 total reflects only Acts added to the scorecard after the 1999 final sequestration report was issued.) The Administration has proposed to remove the net year 2000 balances from the pay-as-you-go scorecard and to use the savings to offset defense spending. At the end of this session of Congress, OMB will determine the need for sequestration by combining the 1999 and 2000 totals. For reports issued through August 15, 1999, this calculation yields a savings of \$2.9 billion, indicating that sequestration will not be required for 2000. The table also shows net costs on the scorecard for 2001 through 2004.

**Table 6. NET COST OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF AUGUST 15, 1999**

(In millions of dollars)

Report Number	Act Number	Act Title	1999	2000	2001	2002	2003	2004	1999-04
<b>Pay-as-you-go balances in FY 2000 Preview Report:</b>									
		OMB estimate .....	0	-2,927	-833	-164	-1,092	0	-5,016
		CBO estimate .....	0	587	337	2,759	2,426	0	6,109
<b>Legislation enacted in 1st session—106th Congress:</b>									
N.A.	P.L. 106-25	Education Flexibility Partnership Act of 1999:							
	H.R. 800	OMB estimate .....	OMB does not believe this bill is subject to pay-as-you-go.						
		CBO estimate .....	0	32	-11	-16	-5	0	0
489	P.L. 106-36	Miscellaneous Trade and Technical Corrections Act of 1999:							
	H.R. 435	OMB estimate .....	5	37	-1	-15	-27	-37	-38
		CBO estimate .....	-5	17	-3	-4	-6	-7	-8
<b>Subtotal, legislation enacted in 1st session—106th Congress:</b>									
		OMB estimate .....	5	37	-1	-15	-27	-37	-38
		CBO estimate .....	-5	49	-14	-20	-11	-7	-8
<b>Total, balances:</b>									
		OMB estimate .....	5	-2,890	-834	-179	-1,119	-37	-5,054
		CBO estimate .....	-5	636	323	2,739	2,415	-7	6,101

\*Net costs or savings of \$500,000 or less.

<sup>1</sup>Excludes bills with impact of \$500,000 or less in each fiscal year 1999 through 2004 under both OMB and CBO scoring.**Table 7. PAY-AS-YOU-GO LEGISLATION WITH IMPACT OF \$500,000 OR LESS ENACTED AS OF AUGUST 15, 1999**

(In millions of dollars)

Act Number	Act Title
P.L. 106-4 (H.R. 540)	Nursing Home Resident Protection Amendments of 1999 <sup>1</sup>
P.L. 106-5 (H.R. 808)	Family Farmer Bankruptcy Extension Act
P.L. 106-6 (S. 643)	Interim Federal Aviation Administration Authorization Act
P.L. 106-7 (H.R. 1212)	Crop Insurance Application Deadline Extension
P.L. 106-21 (H.R. 1376)	Tax Relief for Personnel Involved in Operation Allied Force
P.L. 106-26 (S. 531)	Congressional Gold Medal for Rosa Parks
P.L. 106-32 (H.R. 1304)	To declare a portion of the James River and Kanawha Canal in Richmond, VA, to be Nonnavigable Waters of the U.S. <sup>2</sup>
P.L. 106-37 (H.R. 775)	Y2K Act
P.L. 106-40 (S. 880)	Chemical Safety Inspection, Site Security and Fuels Regulatory Relief Act
P.L. 106-41 (S. 604)	Lake Oconee Land Exchange Act
P.L. 106-43 (S. 1259)	Trademark Amendments of 1999
P.L. 106-45 (H.R. 66)	Route 66 Preservation Act
P.L. 106-47 (S. 1543)	Tobacco Production and Marketing Information Release Act

<sup>1</sup>CBO does not score this bill as subject to pay-as-you-go requirements.<sup>2</sup>OMB does not score this bill as subject to pay-as-you-go requirements.

**Pending legislation.**—The Congress completed action on several pay-as-you-go bills that have not yet been transmitted to the President or have been signed but not yet reported on. Because official OMB reports have

not been issued for these bills, OMB did not take them into account for this report. Current OMB estimates of bills pending final action are shown in Table 8.

If the pending Taxpayer Refund and Relief Act were to be enacted in its present form, it would result in a sequester of mandatory programs of \$4.8 billion in 2000, including \$4.1 billion from Medicare. The Medicare sequester would total \$7.4 billion in 2001, and beginning in 2002, Medicare would be reduced by the maximum sequester percentage of 4% each year. In total, funding for the

Medicare program would be cut by over \$41 billion for the 2000 to 2004 period. Mandatory programs subject to a full sequester would be eliminated beginning in 2002, including CCC, child support enforcement, social services block grants, immigration support, crop insurance, mineral leasing payments, veterans education and readjustment benefits, and a variety of smaller programs.

**Table 8. PRELIMINARY ESTIMATES OF LEGISLATION PENDING ENACTMENT OR OMB REPORTING**

(net costs in millions of dollars)

Bill Number	Bill Title	1999	2000	2001	2002	2003	2004
H.R. 1568	Veterans Entrepreneurship and Small Business Development Act of 1999 .....	1	0	0	0	0	0
H.R. 2488	Taxpayer Refund and Relief Act of 1999 .....	0	7,655	9,078	36,008	51,153	58,005
S. 507	Water Resources Development Act of 1999 .....	0	-21	4	4	4	2
S. 606	An Act for the Relief of Global Exploration and Development Corporation, Kerr-McGee Chemical, LLC, and for other purposes .....	52	*	*	*	*	*

\* Net costs or savings of \$500,000 or less.

**Comparison with CBO estimates.**—The BEA requires that OMB explain differences with CBO estimates of enacted pay-as-you-go legislation. Table 6 shows the CBO estimate for each Act as it was reported in CBO’s pay-as-you-go bill reports. For the sum of 1999 and 2000, OMB estimates a net savings of \$2.9 billion while CBO estimates a net cost of \$0.6 billion for the same period. Almost all of the difference is related to bills enacted prior to the FY 2000 Preview Report, most notably the Omnibus Consolidated and Emergency Supplemental Appropriations Act, FY 1999. For this session of Congress, the difference between

CBO and OMB estimates for 1999 and 2000 is \$2 million and results from differences in pricing the Education Flexibility Partnership Act and the Miscellaneous Trade and Technical Corrections Act. CBO estimated that the Education Flexibility Partnership would change outlay rates for previously appropriated discretionary funds. However, OMB did not agree that the Act would affect outlay rates and, therefore, did not score the Act for pay-as-you-go purposes. For the Miscellaneous Trade and Technical Corrections Act, the difference between OMB and CBO estimates is due to technical estimating differences.