

BUDGET WEEK

SU	M	TU	W	TH	F	SA

HOUSE COMMITTEE ON THE BUDGET
Majority Caucus

309 Cannon House Office Building
www.budget.house.gov (202) 226-7270

Volume 1, No. 1

Summarizing budgetary issues in legislation
scheduled for the House floor

9 July 2001

Week of 9 July 2001

SUSPENSION CALENDAR

- 1) **Authorizing the Rotunda of the Capitol to be used on July 26, 2001, for a ceremony to present Congressional Gold Medals to the original 29 Navajo Code Talkers** (H.Con.Res. 174). 
This bill has no budget implications.
- 2) **Encouraging corporations to contribute to faith-based organizations** (H.Con.Res. 170). 
This bill has no budget implications.
- 3) **Reauthorization of the Tropical Forest Conservation Act of 1998 through Fiscal Year 2004** (H.R. 2131). 
This bill does not increase direct spending, but authorizes spending that would be  appropriated in the Foreign Operations appropriations bill.
- 4) **Expressing the Sense of Congress in support of victims of torture** (H.Con.Res. 168). 
This bill has no budget implications.

LEGISLATION CONSIDERED UNDER A RULE

- Bill:** **Proposing An Amendment to the United States Constitution to Authorize Congress to Prohibit the Physical Desecration of the Flag** (H.J.Res. 36). 
- Committee:** Judiciary
- Summary:** The amendment itself does not prohibit flag desecration. It authorizes Congress to enact legislation to prohibit the physical desecration of the flag and establishes boundaries within which Congress may legislate.
- Budget Act:** This proposed amendment has no budgetary implications.
- Bill:** **Agriculture Appropriations Act** (H.R. 2330). 
- Committee:** Appropriations
- Summary:** The measure provides \$15.669 billion in new  discretionary budget authority [BA] and \$15.974 billion in discretionary outlays for 2002 – a decrease of \$92 million in BA from the fiscal year 2001 enacted amount, but \$273 million above the President's request.
- Budget Act:** Debate on this measure has been carried over from prior to the Independence Day recess. As reported, the bill included \$150 million in market assistance to apple

(over please)

PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

producers designated as an emergency, and hence not counted against the bill's overall cost. At the request of the Chairmen of the Budget and Appropriations Committees, the Rules Committee, in the rule providing for consideration of the bill, removed the emergency designation. Consequently, the bill now exceeds its 302(b) allocation by \$150 million. The Appropriations Committee Chairman has indicated his intention to offset this overage in subsequent nondefense appropriations. (Please see the Budget Committee's *Appropriations Update* Vol. 1, No. 4, 28 June 2001, available on the Committee's website, www.budget.house.gov.)

- Bill:** *Campaign Finance Reform Act* (H.R. 2360). 
- Committee:** House Administration
- Summary:** The bill amends the Federal Election Campaign Act of 1971 to restrict the use of non-Federal funds by national political parties. It revises the limits on contributions to State and Federal political committees and the permissible uses of the contributions. The legislation would require those purchasing targeted newspaper, phone bank, and radio and television communications to disclose their identities within 24 hours.
- Budget Act:** The bill would bring in negligible amounts of revenues from fines and penalties, which would not violate the Budget Act. The primary impact of the legislation would be to increase costs to the Federal Election Commission [FEC], but these would have to be appropriated by the Treasury.

ON THE HORIZON

The Patient Protection Act. Legislation imposing new requirements on employers and health insurance providers normally does not increase direct spending, because the effect is primarily regulatory – such as requiring coverage of certain specified health benefits, or providing for increased legal liability. An exception is the effect on the Federal Employee Health Benefits Program [FEHBP]. When regulation increases, FEHBP costs may rise, causing an increase in direct spending and creating new entitlement authority, as it is defined in the Congressional Budget Act.

More significant is the effect on revenues. According to the Congressional Budget Office [CBO] – which has prepared estimates on various patient protection bills – when costs rise due to mandates or regulations, employers react in various ways: they may raise their own prices; they may reduce or drop health coverage; or they may reduce wages relative to where they would be absent higher costs.

This last effect reduces Federal income tax revenues collected by the Treasury. It also reduces revenues collected by the Social Security Trust Fund, because those revenues are based on payroll taxes. The magnitude of any such revenue effect, when compared with the level of revenues provided for in the budget resolution, may subject legislation to points of order under the Budget Act.