



BUDGET WEEK

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Summarizing budgetary issues in legislation
scheduled for the House floor

11 February 2003

Week of 10 February 2003

SUSPENSION CALENDAR

- 1) ***Condemning the Selection of Libya to Chair the United Nations Commission on Human Rights*** (H.Con.Res. 27). 
This resolution will not effect direct spending or revenue.
- 2) ***Commending Czech Republic President Vaclav Havel*** (H.Con.Res. 22). 
This resolution will not effect direct spending or revenue.
- 3) ***Commending Israel on Their Elections.*** 
This resolution will not effect direct spending or revenue.
- 4) ***To Extend Certain Hydroelectric Licenses in the State of Alaska*** (H.R. 337). 
This resolution will not effect direct spending or revenue.
- 5) ***To Reinstate and Extend the Deadline for Commencement of Construction of a Hydroelectric Project in the State of Illinois*** (H.R. 397). 
This resolution will not effect direct spending or revenue.
- 6) ***Commending President Ronald Reagan on his 92nd Birthday*** (H.J.Res 19). 
This resolution will not effect direct spending or revenue.
- 7) ***Congratulating the University of Portland Women's Soccer Team for Winning the 2002 NCAA Division I National Championship*** (H.Res. 41). 
This resolution will not effect direct spending or revenue.
- 8) ***To Improve the Calculation of the Federal Subsidy Rate with Respect to Certain Small Business Loans, and for Other Purposes*** (S. 141). 
This legislation authorizes the Director of the Office of Management and Budget [OMB] to use the most recently approved subsidy cost model and methodology in conjunction with the program and economic assumptions, and historical data included in the fiscal year 2003 budget. This bill is not expected to effect direct spending or revenue.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address 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. **Also note:** Floor schedules and legislative details are subject to change after publication.

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

9) ***American Spirit Fraud Prevention Act*** (H.R. 346). 

This bill amends the Federal Trade Commission [FTC] Act to increase civil penalties for violations involving activities that exploit reaction to an emergency or major disaster declared by the President and authorizes the FTC to seek civil penalties for violations of the Act. At the time of publication, a Congressional Budget Office [CBO] cost estimate was not available. The Budget Committee expects implementation of this bill to result in an increase in revenue, due to the increased civil penalties, but to have no effect on direct spending.

LEGISLATION CONSIDERED UNDER A RULE

Bill: ***Do-Not-Call Implementation Act*** (H.R. 395) 

Committee: Energy and Commerce

Summary: This bill authorizes the Federal Trade Commission [FTC] to establish fees to implement and enforce provisions relating to the "do-not-call" registry of the Telemarketing Sales Rule. These provisions prohibit a telemarketer from calling an individual listed on a do-not-call registry. It allows the fees (which are treated as offsets to spending) to be collected for fiscal years 2003 through 2007.

Cost: At the time of publication, a CBO cost estimate was not available. The fees generated by implementing this bill will be treated as off-setting collections to cover the costs of activities and services related to the implementation and enforcement of the Telemarketing Sales Rule. The fees collected are expected to fully cover the cost associated with the implementation and enforcement of this bill.

Budget Act: It is not expected that the bill will violate the Congressional Budget Act.

Bill: ***Fiscal Year 2003 Appropriations Conference Report*** (H.J.Res. 2)

Committee: Appropriations

Summary: The Senate amended the House-passed version of H.J.Res. 2, converting it from a temporary continuing resolution into a full-year resolution and an omnibus appropriations measure. The Senate version provides the full-text of each of the 11 outstanding fiscal year 2003 regular appropriations bills.

Cost: No cost estimate was available at the time of the preparation of this Budget Week. The Senate passed version of H.J.Res. 2 totaled \$391 billion. Of that amount, \$387 billion is discretionary and \$4 billion is mandatory. The total discretionary budget authority provided in this version plus the discretionary spending provided in the two previously enacted regular appropriations bills (Defense and Military Construction) equals \$752 billion.

The Senate-passed text of H.J.Res. 2 includes a 2.9 percent across-the-board reduction of fiscal year 2003 discretionary budget authority in the measure, and fiscal year 2003 discretionary advance appropriations enacted in previous years. The across-the-board reduction would apply to discretionary spending in each of the 11 regular appropriations bills. But the reduction would not apply to funding for the Head Start Program, and certain other discretionary spending. The across-the-board cut is applied to each discretionary account and each advance appropriation. The across-the-board reduction would cut discretionary spending by \$11.4 billion in budget authority and \$6.1 billion in outlays.

Budget Act: It is unclear to what degree mandatory programs will be included in the omnibus appropriations measure, and whether they will be offset with reductions in mandatory

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spending. Discretionary spending is expected to exceed the level provided for in the budget resolution (H.Con.Res. 353). That resolution funded discretionary appropriations at a level consistent with the President's request.

Several potential circumstances could arise with this bill:

- The President requested about \$10 billion in additional budget authority after passage of the resolution, primarily for defense. Should this funding be included, a \$10-billion defense reserve fund provided for in the budget resolution – of which \$9 billion remains – may be released and an adjustment made in the allocation to the Appropriations Committee.
- Yet such an adjustment for the measure would not cover the entire amount in excess of the Appropriations Committee's 302(a) allocation, and it would still violate the Congressional Budget Act.
- In addition, because section 301 the budget resolution limits the amount of total advance appropriations to \$23.2 billion, if the measure includes more than that level, it will be subject to a point of order.
- If the bill includes language directing that mandatory provisions, such as possible Medicare provisions, must be scored as if they were being carried in authorization bills, this would constitute legislative language within the jurisdiction of the Budget Committee, and violate Section 306 of the Budget Act.

Bill: *Personal Responsibility, Work and Family Promotion Act of 2003* (H.R. 4) 

Committee: Ways and Means/Commerce/Education and the Workforce/Agriculture

Summary: H.R. 4 would reauthorize basic Temporary Assistance for Needy Families [TANF] grants through 2007 at the current level of funding of \$16.6 billion. The act would not alter current requirements on States to spend a certain percentage of their historic spending level (80 percent, or 75 percent if the State meets the work participation requirements) and to limit assistance paid with Federal funds to 5 years. It would alter the funding of some grants related to TANF, and make several other changes to program rules and reporting requirements. It would establish a new grant program for States and revise requirements on States related to the participation in work and training of families receiving assistance. The bill would eliminate one grant program related to out-of-wedlock birth rates and replace it with another directed at promoting marriage. It would reauthorize an existing abstinence education program and establish two new programs aimed at pregnancy prevention. This legislation would extend by 5 years the requirement that State Medicaid programs provide transitional medical assistance to certain Medicaid beneficiaries (usually former welfare recipients) who otherwise would be ineligible because they have returned to work and have increased earnings.

Cost: Similar legislation was passed by the House last year, and was estimated to cost \$2 billion over 5 years. The cost is due to increased funding for some grants, and the establishment of several new grants.

Budget Act: This bill was assumed in the budget resolution. The committees allocations under which this spending would fall have been exceeded due to the enactment of other spending items. Hence, the bill would violate both the first and 5-year allocations of both the Ways and Means Committee and the Energy and Commerce Committee. This would normally cause a 302(f) point of order under the Congressional Budget Act: this point of order falls against any legislation that would cause a committee to breach its allocation of budget

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authority. But the point of order only may be raised against bills that have been reported by a committee, and H.R. 4 has not been so reported. Therefore a point of order would not be sustained under the Congressional Budget Act should it be raised against this bill. The bill exceeds the Ways and Means Committee's allocation, as a result of the extension of Unemployment Insurance enacted earlier this year. Typically, such an extension would receive an emergency designation because it would be considered an unforeseen need. With the expiration of certain budget controls last September, the emergency designation was not included in the bill, causing the Ways and Means Committee to exceed its allocation.