

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1109

To improve budgetary information by requiring that the unified budget presented by the President contain information which facilitates consideration of choices between spending which is consumption oriented, spending which is of a development character, and spending which is in the nature of a capital investment, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 1995

Mr. THORNTON introduced the following bill; which was referred to the  
Committee on Government Reform and Oversight

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## A BILL

To improve budgetary information by requiring that the unified budget presented by the President contain information which facilitates consideration of choices between spending which is consumption oriented, spending which is of a development character, and spending which is in the nature of a capital investment, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Capital Budgeting Act  
5        of 1995”.

1 **SEC. 2. STATEMENT OF FINDINGS AND PURPOSE.**

2 (a) STATEMENT OF FINDING.—The Congress finds  
3 that—

4 (1) the objective of enhancing long-term eco-  
5 nomic growth is not well served by a budget process  
6 focused on short-term results,

7 (2) long-term economic growth depends not  
8 only upon a stable social, political, and economic en-  
9 vironment and a higher level of national savings, but  
10 also upon a sound public infrastructure, an educated  
11 citizenry and workforce, an investment in research  
12 and the discovery of knowledge, and the harnessing  
13 of inventive genius into the workplace and market-  
14 place,

15 (3) the existing presentation of the Federal  
16 Budget obscures the distinctions between long-term  
17 capital investments, expenditures of a developmental  
18 character, and current operational spending, and

19 (4) the public interest will be served by a Fed-  
20 eral Budget presentation which presents information  
21 showing long-term effects of expenditures.

22 (b) PURPOSE.—It is the purpose of this Act to re-  
23 quire that the unified budget present—

24 (1) an operating budget, and

25 (2) an investment budget divided into—

26 (A) federally-owned capital, and

1 (B) developmental investments,  
2 for each of the 3 major components of the budget (general,  
3 trust, and enterprise funds) in order to ensure a continued  
4 focus on the Government's total financial operations, while  
5 providing better and more relevant information upon  
6 which to base both overall fiscal policy as well as program  
7 priorities within the Federal Budget.

8 **SEC. 3. CAPITAL AND OPERATING BUDGETS.**

9 (a) IN GENERAL.—Title 31, United States Code, is  
10 amended by inserting after section 1105 the following new  
11 section:

12 **“SEC. 1105A. CAPITAL AND OPERATING BUDGETS.**

13 “(a)(1) The budget of the United States submitted  
14 by the President under section 1105 of this title shall be  
15 a unified budget composed of—

16 “(A) an operating budget, and

17 “(B) an investment budget divided into feder-  
18 ally-owned capital and developmental investments.

19 “(2) Operating and investment budgets shall be pre-  
20 sented separately for unified funds, general funds, trust  
21 funds, and enterprise funds.

22 “(b)(1) Actual, estimated, and proposed amounts  
23 shall be presented for unified funds, general funds, trust  
24 funds, and enterprise funds, and, at a minimum, shall con-  
25 tain:

1 “(A) For the operating budget:

2 “(i) Operating revenues.

3 “(ii) Operating expenses.

4 “(iii) Operating surplus/deficit before  
5 interfund transfers.

6 “(iv) Interfund transfers.

7 “(v) Operating surplus/deficit.

8 “(vi) Federal expenditures financing the  
9 operating expenses of State and local govern-  
10 ments.

11 “(B) For the investment budget:

12 “(i) For federally-owned capital: the office  
13 buildings, equipment, and other assets that are  
14 owned by the Government for use in its oper-  
15 ations together with a showing how such assets  
16 will improve the efficiency and effectiveness  
17 with which government agencies carry out their  
18 missions.

19 “(ii) For developmental investments (in-  
20 cluding grants and loans to non-Federal entities  
21 for improving physical infrastructure, research  
22 and development, and investment in human  
23 capital through education and training): the  
24 amounts to be invested together with a projec-  
25 tion of how such investments will improve the

1           prospects for higher rates of economic growth  
2           on the future.

3           “(2) For both categories of investment budgets, the  
4 following information will be presented:

5           “(A) Investment funds together with investment  
6 revenues.

7           “(B) Financing requirements before interfund  
8 transfers.

9           “(C) Interfund transfers.

10          “(D) Projected effects upon economic growth.

11          “(3) The investment budget shall represent only the  
12 major activities, projects, and programs which support the  
13 acquisition, construction, alteration, and rehabilitation of  
14 such investment assets and the major programs and activi-  
15 ties which support nonmilitary research and development,  
16 education, and job training. All other activities, projects,  
17 and programs shall be represented in the operating  
18 budget.”.

19          (b) CLERICAL AMENDMENT.—The table of sections  
20 for chapter 11 of title 31, United States Code, is amended  
21 by inserting after the item relating to section 1105 the  
22 following new item:

“1105A. Capital and operating budgets.”

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