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OMB'S FINAL SEQUESTRATION REPORT

COMMUNICATION

FROM

THE DIRECTOR, THE OFFICE OF
MANAGEMENT AND BUDGET

TRANSMITTING

OMB's final sequestration report to the President and Congress for Fiscal Year 1995, pursuant to Pub. L. 101-508, Sec. 13101(a) (104 Stat. 1388-587)



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THE DIRECTOR

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

December 16, 1994

Honorable Thomas S. Foley
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Enclosed please find the *OMB Final Sequestration Report to the President and Congress* for fiscal year 1995. It has been prepared in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), the Budget Enforcement Act of 1990 (Public Law 101-508), and the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66).

As required by law, the report includes final estimates of the discretionary spending limits, a summary of enacted legislation affecting direct spending and receipts, calculations of the maximum deficit amount, and comparisons with the estimates provided by the Director of the Congressional Budget Office in his report. The report finds that no sequestration is required.

Sincerely,

Alice M. Rivlin
Director

Enclosure

Identical Letters Sent to The President
and Honorable Albert Gore

OMB FINAL SEQUESTRATION REPORT
TO THE PRESIDENT AND CONGRESS
FOR FISCAL YEAR 1995



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

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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.



THE DIRECTOR

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OFFICE OF MANAGEMENT AND BUDGET
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The White House
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Sincerely,

A handwritten signature in dark ink, appearing to read "Alice M. Rivlin".

Alice M. Rivlin
Director

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and Honorable Thomas S. Foley

I. INTRODUCTION

The Budget Enforcement Act of 1990 (BEA) was enacted into law as part of the Omnibus Budget Reconciliation Act of 1990. Through fiscal year 1996, the Act established annual limits on discretionary spending, a pay-as-you-go requirement that subsequent legislation affecting direct spending or receipts not increase the deficit, and maximum deficit amounts. Compliance with these three constraints is enforced by across-the-board sequestration (reduction) of non-exempt spending. The BEA requirements for discretionary spending and pay-as-you-go legislation were extended through fiscal year 1998 by the Omnibus Budget Reconciliation Act of 1998 (OBRA98).

The BEA requires OMB to issue a final sequestration report within fifteen days of the end of the Congressional session. This report fulfills this requirement for the second session of the 103rd Congress. The estimates in this report reflect all legislation enacted and signed into law by the President through December 8, 1994. There are no additional bills awaiting Presidential signature. As required by the BEA, the estimates use the same economic and technical assumptions contained in the President's FY 1996 Budget, which was transmitted to Congress on February 7, 1994.

II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are, in general, those that have their funding levels established annually through the appropriations process. The scorekeeping guidelines accompanying the BEA identify accounts with discretionary resources. The BEA limits budget authority and outlays available for discretionary programs. Appropriations that cause either the budget authority or outlay limits—also known as caps—to be exceeded trigger a sequester to eliminate any such breach. There is no requirement that the full amount available under the discretionary limits be appropriated. Table 1 is a summary of all changes to the 1991–1995 caps since they were set in 1990.

Adjustments to the discretionary limits.—Table 2 shows the impact on the discretionary limits of adjustments permitted by section 251(b) of the BEA. The table also shows the establishment of separate caps as authorized by P.L. 103-322, the Violent Crime Control and Law Enforcement Act of 1994.

Adjustments authorized under section 251(b)(1) include those for differences between actual and projected inflation and for changes in concepts and definitions. These adjustments were shown in the sequestration preview report included in the President's FY 1996 Budget and are included in the preview report limits in Table 2.

Section 251(b)(2) of the BEA authorizes adjustments that can be made after appropriations have been enacted. Table 2 includes those adjustments that can be made now due to legislation enacted during the second session of the 103rd Congress. The section 251(b)(2) adjustments include:

- *Internal Revenue Service (IRS) funding.*—Funding for the IRS compliance initiative above the Congressional Budget Office (CBO) baseline levels estimated in June 1990. Adjustments are limited to the bud-

et authority and outlay amounts specified in the law.

- *Emergency appropriations.*—Funding for amounts that the President designates as "emergency requirements" and that the Congress so designates in statute. Since the February 7th preview report, an additional \$13 billion in 1994 and 1995 funding has been enacted and designated by the President and Congress as "emergency requirements." Most of these funds are related to emergency relief following the Northridge, California earthquake.

The BEA also provides special allowances for budget authority and outlays. Two separate budget authority allowances may be provided for 1994 and 1995, together with an adjustment for outlays associated with one of the allowances, calculated using spendout rates contained in the BEA. For 1994 through 1996, the BEA also provides for an additional budget authority allowance equal to 0.1 percent of the adjusted limit (excluding the limits established by the Violent Crime Control and Law Enforcement Act of 1994) on discretionary budget authority for the budget year.

Another adjustment is the special outlay allowance. For general purpose (non-crime) discretionary spending, the maximum dollar amounts of the special outlay allowance for 1991 through 1995 are specified in the BEA. The annual allowances for 1994 and 1995 are \$6.5 billion. The available outlay allowances through 1995 are reduced by the outlays associated with the budget authority allowances. For 1996 through 1998, the annual outlay allowance is equal to a maximum of 0.5 percent of the adjusted discretionary outlay limit. During this session of Congress, an additional \$146 million of the 1994 outlay allowance was used as a result of enacted legislation exceeding the caps by OMB scoring.

The Violent Crime Control and Law Enforcement Act of 1994 created the Violent Crime

Reduction Trust Fund (VCRTF) and established separate caps for programs financed by the VCRTF. As shown in Table 2, the caps for all other discretionary spending were reduced by the amounts of the VCRTF caps, so total discretionary spending does not increase. A special outlay allowance of up to 0.5 percent of the VCRTF outlay limit is available each year for 1995 through 1998.

Status of 1994 discretionary appropriations.—Table 3 summarizes the status of enacted 1994 discretionary appropriations relative to the discretionary caps. Enacted budget authority and outlays do not exceed the caps.

Status of 1995 discretionary appropriations.—Table 4 shows OMB scoring of the 1995 appropriations bills. General purpose (non-crime) discretionary budget authority and outlays are below the caps for 1995 by \$9.1 billion and \$0.2 billion, respectively. Congress appropriated all but \$1 million of the amount available in the VCRTF, and associated outlays are estimated to be at the VCRTF cap.

Comparison between OMB and CBO discretionary limits.—Section 254(d)(5) of the BEA requires an explanation of differences between OMB and CBO estimates for the

discretionary spending limits. Table 5 compares OMB and CBO limits for 1994 through 1998. CBO uses the discretionary limits from OMB's August 19, 1994 sequestration update report as a starting point for the adjustments made in its final sequestration report.

OMB and CBO have different estimates of the budget authority effects of the emergency funding enacted since August. CBO scores budget authority for contingent appropriations in the fiscal year in which it is appropriated. OMB scores budget authority for only those contingent appropriations officially requested for release by the President and designated by the President as emergency requirements. For 1995, five unreleased contingent emergency appropriations enacted since the update report are being scored by CBO and not by OMB: Low-income home energy assistance program (\$600 million), Public health and social services emergency fund (\$65 million), Forest Service firefighting (\$250 million), Forest Service emergency pest suppression (\$17 million), and Small Business Administration disaster loans (\$125 million).

OMB and CBO also have different estimates of the outlay effects of the emergency funding. These are primarily technical differences in outlay spendout rates for emergency appropriations.

II. DISCRETIONARY SEQUESTRATION REPORT

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Table 1. SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS
(In billions of dollars)

		1991	1992	1993	1994	1996
TOTAL DISCRETIONARY						
Statutory Caps as Set in OBRA 1990	BA	491.7	508.4	511.5	510.8	517.7
	OL	514.4	524.9	524.0	524.8	540.8
Adjustments for changes in concepts and definitions	BA		7.7	8.2	8.2	8.8
	OL		1.0	2.4	2.3	3.0
Adjustments for changes in inflation	BA		-0.5	-5.1	-9.5	-11.8
	OL		-0.3	-2.5	-5.8	-8.8
Adjustments for credit reestimates, IRS funding, debt forgiveness, and IMF	BA	0.2	0.2	13.0	0.6	0.7
	OL	0.3	0.3	0.8	0.8	0.9
Adjustments for emergency requirements	BA	0.9	8.3	4.6	12.2	1.2
	OL	1.1	1.8	5.4	9.0	7.5
Adjustments for special allowances:						
Discretionary new budget authority	BA		3.5	2.9	2.9	2.9
	OL		1.4	2.2	2.6	2.7
Outlay allowance	BA					
	OL	2.6	1.7	0.5	1.0	
Subtotal, adjustments excluding Desert Shield/Desert Storm	BA	1.1	19.2	23.6	14.3	1.7
	OL	3.9	5.9	8.8	10.0	5.3
Adjustments for Operation Desert Shield/Desert Storm	BA	44.2	14.0	0.6	.	.
	OL	33.3	14.9	7.6	2.8	1.1
Total adjustments	BA	45.4	33.2	24.2	14.3	1.7
	OL	37.2	20.8	16.4	12.8	6.3
End-of-session report spending limits ¹	BA	537.1	536.6	535.7	525.1	519.4
	OL	551.6	545.7	550.4	547.6	547.1

^{*} Less than \$50 million.

¹ Reflects combined general purpose discretionary and Violent Crime Reduction Trust Fund discretionary spending limits.

Table 2. DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

		1994	1995	1996	1997	1998
Total discretionary spending limits, February 7, 1994						
Preview Report	BA	512,293	518,178	518,921	527,855	530,092
	OL	542,768	529,626	547,318	548,979	547,955
August 19, 1994 Update Report Adjustments:						
Emergency supplemental appropriations (P.L. 103-211)	BA	9,089	-----	-----	-----	-----
	OL	2,535	2,700	1,143	809	41
Contingent emergency appropriations released	BA	1,643	-----	-----	-----	-----
	OL	905	802	145	72	14
Subtotal, adjustments	BA	10,712	-----	-----	-----	-----
	OL	4,441	4,302	1,288	882	55
Update Report discretionary limits	BA	524,075	518,178	518,921	527,855	530,092
	OL	547,149	542,828	548,606	547,861	547,110
Final Sequestration Report Adjustments:						
Contingent emergency appropriations released	BA	899	1,000	-----	-----	-----
	OL	266	1,307	104	23	-----
Other emergency appropriations:						
Foreign Operations appropriations (P.L. 103-208)	BA	50	-----	-----	-----	-----
	OL	13	23	5	-----	-----
VA/HHUD/Independent Agencies appropriations (P.L. 103-227)	BA	-----	-----	-----	-----	-----
	OL	-5	-119	85	88	34
Agriculture/Rural Development appropriations (P.L. 103-230)	BA	33	-----	-----	-----	-----
	OL	-----	29	-4	5	2
Interior and Related agencies appropriations (P.L. 103-222)	BA	-----	200	-----	-----	-----
	OL	-----	200	-----	-----	-----
Defense appropriations (P.L. 103-226)	BA	299	-----	-----	-----	-----
	OL	-----	226	57	10	3
IRS funding	BA	-----	188	-----	-----	-----
	OL	-----	184	4	-----	-----
Special allowance for discretionary budget authority	BA	-----	2,880	-----	-----	-----
	OL	-----	1,428	753	266	134
Special outlay allowance	BA	-----	-----	-----	-----	-----
	OL	146	-----	-----	-----	-----
Reduction pursuant to P.L. 103-222 (Violent Crime Reduction Trust Fund)	BA	-----	-2,433	-4,387	-5,000	-5,500
	OL	-----	-708	-2,534	-3,986	-4,904
Subtotal, adjustments	BA	1,071	1,846	-4,387	-5,000	-5,500
	OL	410	2,694	-1,227	-3,414	-4,731
Final Sequestration Report discretionary spending limits (General purpose discretionary)	BA	525,146	517,023	514,544	522,855	524,592
	OL	547,889	546,622	547,379	544,147	542,379
Violent Crime Reduction Trust Fund (VCRTF) Spending Limits	BA	-----	2,433	4,387	5,000	5,500
	OL	-----	708	2,534	3,986	4,904
Combined General Purpose and VCRTF spending limits	BA	525,146	519,446	518,931	527,855	530,092
	OL	547,889	547,136	548,913	548,033	547,133

**Table 3. STATUS OF 1994 DISCRETIONARY
APPROPRIATIONS**
(In millions of dollars)

	BA	Outlays
TOTAL DISCRETIONARY		
Adjusted discretionary spending limits ¹	525,146	547,559
Total enacted	510,997	547,559
Appropriations over/under (-) spending limits	-14,149	

¹Spending limits adjusted pursuant to section 261 of the BIA, including \$988 million for the use of the special outlay allowance.

Table 4. SUMMARY OF 1985 APPROPRIATIONS ACTION
(in millions of dollars)

	BA	Outlays
General Purpose Discretionary		
Agriculture, Rural Development	14,422	15,224
Commerce, Justice, State and the Judiciary	24,023	24,725
Defense	242,204	250,737
District of Columbia	712	712
Energy and Water Development	20,422	20,604
Foreign Operations	12,624	12,621
Interior and Related Agencies	12,625	14,017
Labor, HHS, Education	70,122	69,949
Legislative Branch	2,227	2,419
Military Construction	2,222	2,222
Transportation and Related Agencies	12,621	17,022
Treasury, Postal Service and General Government ¹	11,222	12,122
Veterans Affairs, HUD, Independent Agencies	70,711	72,417
Total general purpose discretionary²	507,272	542,222
End-of-session discretionary caps	217,222	242,422
CONGRESSIONAL ACTION OVER/UNDER (-)		
CAPS	-2,145	-202
Violent Crime Reduction Trust Fund		
Commerce, Justice, State and the Judiciary	2,245	202
Labor, HHS, Education	22	7
Treasury, Postal Service and General Government	22	22
Total VCRITF spending	2,422	222
End-of-session VCRITF caps	2,422	222
CONGRESSIONAL ACTION OVER/UNDER (-)		
CAPS	-1	

Notes:

Detail may not add to totals due to rounding.

¹ Includes \$100 million in budget authority and \$124 million in outlays for the IRS revenue initiative, which results in cap adjustments of equal amounts.

² Outlays from emergency appropriations enacted or released since the February budget are included in OMB's final covering, as follows:

	BA	Outlays
Agriculture, Rural Development [*]	1,222	1,222
Commerce, Justice, State and the Judiciary		212
Defense		414
Energy and Water Development		22
Foreign Operations		22
Interior and Related Agencies	222	222
Labor, HHS, Education		117
Transportation and Related Agencies		772
Veterans Affairs, HUD, Independent Agencies		2,222
Total, emergency outlays	1,222	2,272

^{*} Includes BA and outlays of \$1 billion for the Community Credit Corporation disaster payments without emergency release of November 2, 1984.

II. DISCRETIONARY SEQUESTRATION REPORT

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

	1994	1995	1996	1997	1998
General Purpose Discretionary					
CBO End-of-session Report limits:					
BA	525,393	518,060	514,344	522,555	524,592
OL	547,288	547,437	547,549	544,220	542,427
OMB End-of-session Report limits:					
BA	525,146	517,023	514,344	522,555	524,592
OL	547,559	546,432	547,279	544,147	542,879
Difference:					
BA	247	1,027	.....	.....	.....
OL	-271	1,006	270	73	48
Violent Crime Reduction Trust Fund					
CBO End-of-session Report limits:					
BA .....	.....	2,423	4,287	5,000	5,500
OL .....	.....	703	2,334	3,986	4,904
OMB End-of-session Report limits:					
BA .....	.....	2,423	4,287	5,000	5,500
OL .....	.....	703	2,334	3,986	4,904
Difference:					
BA .....	.....	.....	.....	.....	.....
OL .....	.....	.....	.....	.....	.....

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement procedures apply to direct spending and receipts legislation. Direct spending is defined as entitlement authority, the food stamp program, and budget authority provided by laws other than appropriations acts. The BEA enforcement procedures specify that receipts or direct spending legislation should not increase the deficit. If it does, it will trigger a sequester if not fully offset. Sequestration of direct spending programs would occur 15 days after Congress adjourns to end a session. Social Security, the Postal Service, legislation specifically designated as "emergency requirements" according to 252(e) of the BEA, and legislation providing full funding of the Government's deposit insurance guarantee commitment are not subject to pay-as-you-go enforcement.

Within five days after enactment of direct spending or receipts legislation, OMB is required to submit a report to Congress estimating the change in outlays or receipts resulting from that legislation. The estimates must use the same economic and technical assumptions contained in the most recent President's budget. Each year in its final sequestration report, OMB adds the estimates in all pay-as-you-go reports together to determine the need for a sequester. If, in total, the combined deficits for the budget year and the preceding fiscal year have been increased by pay-as-you-go legislation, that increase must be offset by sequestration.

Pay-as-you-go estimates for FY 1995.—In its preview report for 1995, OMB reported that pay-as-you-go legislation enacted through the end of the first session of the 103rd Congress had reduced the combined 1994 and 1995 deficit by \$1.0 billion. As table 6 shows, OMB estimates that legislation enacted during the second session of the 103rd Congress reduced

the combined 1994 and 1995 deficits by an additional \$1.5 billion. In total, pay-as-you-go legislation enacted to date has decreased the combined 1994 and 1995 deficits by \$2.5 billion. Therefore no sequestration of direct spending programs is required for fiscal year 1995.

Comparisons with CBO estimates.—The BEA requires OMB to explain differences between OMB and CBO estimates of enacted direct spending and receipts legislation in its sequestration reports. Since the CBO end-of-session report uses OMB estimates for legislation enacted through the sequestration update report, the only differences relate to legislation enacted after August 16, 1994.

CBO estimates that pay-as-you-go legislation enacted since the OMB Sequestration Update Report decreased the deficits for 1994 and 1995 by a total of \$0.5 billion, \$0.5 billion less than the OMB estimate for the two years. Nearly all of this difference is due to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The official CBO estimate for this Act was scored from a baseline that did not include expenditures for ad hoc disaster assistance. On this basis, CBO did not credit savings to a provision that repealed the Secretary of Agriculture's authority to extend ad hoc disaster assistance. The OMB baseline and the Congressional budget resolution baseline assumed expenditures for disaster assistance. For Congressional scorekeeping purposes, CBO scored the Act from the resolution baseline. Using that approach nearly eliminates the difference between OMB and CBO estimates for this Act. Additional detail on estimating differences between OMB and CBO is available in the separate reports issued subsequent to enactment of each bill.

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE

(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
Legislation enacted prior to OBRA 1993:							
1 to 168	Total impact of all bills:	-912	-803	--	--	--	-1,715
	OMB estimate						
	CBO estimate	86	331	--	--	--	388
Legislation enacted following OBRA 1993 to end of 1st session, 103rd Congress:							
169 to 201	Total impact of post OBRA bills to end of 1st session:						
	OMB estimate	916	-186	450	469	-1,114	-1,283
	CBO estimate	1,067	-196	387	422	-1,028	-946
Legislation enacted in the 2nd session of the 103rd Congress:							
202	Technology-Related Assistance for Individuals with Disabilities Act of 1994 (P.L. 103-218; H.R. 2339):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
203	Food Stamp Program Improvements Act of 1994 (P.L. 103-235; S. 1926):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
NA	Federal Workforce Restructuring Act of 1994 (P.L. 103-226; H.R. 3345):						
	OMB estimate (OMB did not classify this as PAYGO)						
	CBO estimate	10	174	96	-120	160	--
204	Goals 2000: Educate America Act (P.L. 103-227; H.R. 1804):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
205	National Fish and Wildlife Foundation Establishment Act Amendments (P.L. 103-232; S. 476):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
206	Multifamily Housing Property Disposition Reform Act of 1994 (P.L. 103-233; S. 1289):						
	OMB estimate	-476	--	--	--	--	-476
	CBO estimate	-410	--	--	--	--	-410
207	Extending Federal Family Education Loan Program Eligibility to Certain Postsecondary Institutions (P.L. 103-235; S. 2004):						
	OMB estimate	6	12	12	12	6	48
	CBO estimate	3	5	5	5	1	19
208	Foreign Relations Authorization Act, FYs 1994 and 1995 (P.L. 103-236; H.R. 2333):						
	OMB estimate	-2	-4	4	1	1	--
	CBO estimate	-2	-4	4	1	1	--

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
209	Temporary Customs Duty Suspension for Certain World Athletic Events (P.L. 103-237; H.R. 4006):						
	OMB estimate	-*	-*	-*	-*	-	-*
	CBO estimate	-	-	-	-	-	-
210	Marine Mammal Protection Act Amendments of 1994 (P.L. 103-238; S. 1686):						
	OMB estimate	6	-*	-2	-2	-1	1
	CBO estimate	4	8	-2	-1	-1	8
211	School to Work Opportunities Act of 1994 (P.L. 103-239; H.R. 3864):						
	OMB estimate	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
212	Rio Grande Designation Act of 1994 (P.L. 103-242; S. 375):						
	OMB estimate	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
213	Clear Creek County Colorado, Public Lands Transfer Act (P.L. 103-253; H.R. 1134):						
	OMB estimate	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
214	Forest Service Land Exchange with Eagle and Pitkin Counties, Colorado (P.L. 103-255; S. 841):						
	OMB estimate	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
215	Freedom of Access to Clinic Entrances Act of 1994 (P.L. 103-259; S. 636):						
	OMB estimate	-	-*	-*	-*	-*	-*
	CBO estimate	-	-	-	-	-	-
NA	Airport Improvement Program Temporary Extension Act of 1994 (P.L. 103-260; S. 2024):						
	OMB estimate (OMB did not classify this as PAYGO)	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
216	Independent Counsel Reauthorization Act of 1994 (P.L. 103-270; S. 24):						
	OMB estimate	-	-	2	2	2	8
	CBO estimate	-	2	2	2	2	8
NA	Board of Veterans Appeals Administrative Procedures Improvement Act (P.L. 103-271; S. 1804):						
	OMB estimate (OMB did not classify this as PAYGO)	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-
217	Railroad Right-of-Way Conveyance Validation Act (Pvt.L. 103-2; H.R. 1183):						
	OMB estimate	-	-	-	-	-	-
	CBO estimate	-	-	-	-	-	-

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE--Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
218	Fees Under the Perishable Agricultural Commodities Act (P.L. 103-276; H.R. 4581):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
219	Export Administration Act Extension (P.L. 103-277; H.R. 4636):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate (CBO did not classify this as PAYGO)						
220	Twin Falls Landfill Act of 1994 (P.L. 103-281; S.1402):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
221	Disregarding payments to Nazi Victims as Income for Federal Assistance Programs (P.L. 103-286; H.R. 1873):						
	OMB estimate	--	1	1	1	1	4
	CBO estimate	--	1	1	1	--	3
222	For the relief of Melissa Johnson (Pvt. Law 103-3; H.R. 672):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
223	Navy Vessel Transfer Authorization Act (P.L. 103-296; H.R. 4439):						
	OMB estimate	-24	-3	-3	-2	-2	-33
	CBO estimate (CBO did not classify this as PAYGO)						
224	Social Security Independence and Program Improvements Act of 1994 (P.L. 103-296; H.R. 4377):						
	OMB estimate	--	-18	-4	-12	-61	-95
	CBO estimate	--	-10	-23	-66	-330	-419
225	Telemarketing and Consumer Fraud and Abuse Prevention Act (P.L. 103-297; H.R. 868):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
226	Federal Aviation Administration Authorization Act of 1994 (P.L. 103-306; H.R. 2739):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
NA	Old U.S. Mint in San Francisco in San Francisco, California (P.L. 103-310; H.R. 4812):						
	OMB estimate (OMB did not classify this as PAYGO)						
	CBO estimate	--	--	--	--	--	--
227	Hazardous Materials Transportation Authorization Act of 1994 (P.L. 103-311; H.R. 2178):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
228	Federal Trade Commission Act Amendments of 1994 (P.L. 103-312; H.R. 2243):						
	OMB estimate	—	•	•	•	•	•
	CBO estimate	—	—	—	—	—	—
229	George Washington National Forest Mount Pleasant Scenic Area Act (P.L. 103-314; H.R. 2942):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
230	Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103-322; H.R. 3355):						
	OMB estimate	—	-1	-2	—	—	-3
	CBO estimate	—	-21	-2	—	—	-23
231	Single Community Development and Regulatory Improvement Act of 1994 (P.L. 103-325; H.R. 3474):						
	OMB estimate	—	-9	-28	-28	-28	-83
	CBO estimate	—	-25	-15	-13	-11	-64
232	Single-Neal Interstate Banking and Branching Efficiency Act of 1994 (H.R. 103-326; H.R. 3641):						
	OMB estimate	6	1	•	•	•	7
	CBO estimate	6	•	•	•	•	6
233	Designation of the Alvarez del Logo Post Office, and Waiver Authority Related to Federal Announcements (P.L. 103-326; H.R. 4190):						
	OMB estimate	—	•	1	1	1	3
	CBO estimate	—	•	1	1	1	3
234	National Defense Authorization Act for Fiscal Year 1995 (P.L. 103-337; S. 2182):						
	OMB estimate	—	3	-3	-2	-4	-6
	CBO estimate	—	34	30	28	43	135
NA	Jerry L. Litton United States Post Office Building (P.L. 103-338; H.R. 1779):						
	OMB estimate (OMB did not classify this as PAYGO)						
	CBO estimate	—	—	—	—	—	—
235	Guam Excess Lands Act (P.L. 103-339; H.R. 2144):						
	OMB estimate	—	•	—	—	—	•
	CBO estimate	—	—	—	—	—	—
236	Junior Duck Conservation and Design Program Act (P.L. 103-340; H.R. 3679):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
237	Plant Variety Protection Act Amendments (P.L. 103-349; S. 1406):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
238	Securities and Exchange Commission Fee Collections (P.L. 103-362; H.R. 5060):						
	OMB estimate	—	-27	27	—	—	—
	CBO estimate	—	19	—	—	—	19

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
239	Uniformed Services Employment and Reemployment Rights Act of 1994 (P.L. 103-953; H.R. 905):						
	OMB estimate	--	12	12	13	13	51
	CBO estimate	--	-1	-2	-3	-3	-9
240	Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-954; H.R. 4317):						
	OMB estimate	--	-166	19	7	-31	-171
	CBO estimate	--	346	1,014	1,049	989	3,398
241	Federal Acquisition Streamlining Act of 1994 (P.L. 103-955; S. 1337):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
242	Intelligence Authorization Act for Fiscal Year 1994 (P.L. 103-959; H.R. 4399):						
	OMB estimate .....	--	.	.	.	.	.
	CBO estimate .....	--	.	.	.	.	.
243	Arizona Wilderness Land Title Resolution Act of 1994 (P.L. 103-965; S. 1233):						
	OMB estimate	--	4	--	--	--	4
	CBO estimate	--	4	--	--	--	4
244	Satellite Home Viewer Act of 1994 (P.L. 103-969; S. 2405):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
245	For the relief of Elizabeth M. Hill (Pvt.L. 103-5; H.R. 810):						
	OMB estimate	--	.	--	--	--	.
	CBO estimate	--	--	--	--	--	--
246	North American Wetlands Conservation Act Amendments of 1994 (P.L. 103-375; H.R. 4305):						
	OMB estimate	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--
247	Naval Vessel Transfer Authorization Act (P.L. 103-378; H.R. 5155):						
	OMB estimate	--	-16	-4	-1	-1	-22
	CBO estimate (CBO did not classify this as PAYGO)	--	--	--	--	--	--
248	Improving America's Schools Act of 1994 (P.L. 103-382; H.R. 6):						
	OMB estimate	--	37	39	42	43	161
	CBO estimate	--	--	--	--	--	--
NA	Full Faith and Credit for Child Support Orders Act (P.L. 103-383; S. 922):						
	OMB estimate (OMB did not classify this as PAYGO)	--	--	--	--	--	--
	CBO estimate	--	--	--	--	--	--

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(in millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
249	Social Security Domestic Employment Reform Act of 1994 (P.L. 103-387; H.R. 4278):						
	OMB estimate	—	35	-1	-1	-54	-21
	CBO estimate	—	61	-21	-22	-44	-6
NA	Federal Employees Family Friendly Leave Act (P.L. 103-388; H.R. 4361):						
	OMB estimate (OMB did not classify this as PAYGO)						
	CBO estimate	—	—	—	—	—	—
250	Rhinoceros and Tiger Conservation Act of 1994 (P.L. 103-391; H.R. 4934):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
251	Bankruptcy Reform Act of 1994 (P.L. 103-394; H.R. 5116):						
	OMB estimate	—	-25	—	—	—	-25
	CBO estimate	—	-67	-28	-18	—	-113
252	Lincoln County, Montana, Lands Transfer Act of 1994 (P.L. 103-398; S. 538):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
253	Sheep Promotion, Research, and Information Act of 1994 (P.L. 103-407; S. 2600):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
254	FBGLI Living Benefits Act (P.L. 103-409; H.R. 512):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
255	American Indian Trust Fund Management Reform (P.L. 103-412; H.R. 4633):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
256	Communications Assistance for Law Enforcement (P.L. 103-414; H.R. 4922):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
257	State Technical Amendments (P.L. 103-415; H.R. 5034):						
	OMB estimate	—	—	12	2	—	14
	CBO estimate	—	8	1	—	—	9
258	Immigration and Nationality Technical Corrections Act of 1994 (P.L. 103-416; H.R. 783):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
259	Dietary Supplement Health and Education Act of 1994 (P.L. 103-417; S. 784):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
260	Veterans' Compensation Cost-of-Living Adjustment Act of 1994 (P.L. 103-418; S. 1927):						
	OMB estimate	—	-14	-14	-16	-16	-50
	CBO estimate	—	—	—	—	—	—
261	Judicial Amendments Act of 1994 (P.L. 103-430; S. 2407):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
262	For the Relief of James B. Stanley (Pvt. L. 103-8, H.R. 808):						
	OMB estimate	—	.	—	—	—	.
	CBO estimate	—	—	—	—	—	—
263	Government Management Reform Act (P.L. 103-362; S. 2170):						
	OMB estimate	—	—	0	-1	-1	-2
	CBO estimate	—	—	0	-1	-1	-2
NA	Defense Department Overseas Teachers' Pay and Personnel Practices Act (P.L. 103-426; H.R. 3489):						
	OMB estimate (OMB did not classify this as PAYGO)	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
NA	Outer Continental Shelf Lands Act (P.L. 103-426; H.R. 3678):						
	OMB estimate (OMB did not classify this as PAYGO)	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
264	Census Address List Improvement Act of 1994 (P.L. 103-430; H.R. 5064):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate (CBO did not classify this as PAYGO)	—	—	—	—	—	—
265	Social Security Act Amendments of 1994 (P.L. 103-432; H.R. 5352):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
266	California Desert Protection Act of 1994 (P.L. 103-433; S. 21):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	1	1	1	1	4
267	Yavapai-Prezcott Indian Water Rights Settlement Act, and Miscellaneous Unrelated Authorities (P.L. 103-434; S. 1146):						
	OMB estimate	—	-3	1	1	1	—
	CBO estimate	—	-12	1	1	1	-9
268	Indian Legislation Technical Corrections Act (P.L. 103-435; H.R. 4709):						
	OMB estimate .....	—	.	.	.	.	.
	CBO estimate	—	—	—	—	—	—

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
269	Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (P.L. 103-436; H.R. 4757):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
270	International Antitrust Enforcement Assistance Act of 1994 (P.L. 103-438; H.R. 4781):						
	OMB estimate	—	—	•	•	•	•
	CBO estimate	—	—	-15	—	—	-15
271	High Speed Rail and Rail Safety Authorizations (P.L. 103-440; H.R. 4867):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
272	Crimes Relating to Congressional Medals of Honor (P.L. 103-442; H.R. 5102):						
	OMB estimate	—	•	•	•	•	•
	CBO estimate	—	—	—	—	—	—
273	Technical Corrections Regarding the Sharing of Federal Timber Receipts (P.L. 103-443; H.R. 5161):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
274	Crow Boundary Settlement Act (P.L. 103-444; H.R. 5200):						
	OMB estimate	—	—	•	1	2	3
	CBO estimate	—	—	—	1	1	2
275	Veterans' Benefits Improvements Act of 1994 (P.L. 103-446; H.R. 5244):						
	OMB estimate	—	-5	-7	-6	-5	-24
	CBO estimate	—	-3	-8	-9	-11	-31
276	Healthy Meals for Healthy Americans Act of 1994 (P.L. 103-448; S. 1614):						
	OMB estimate	—	14	36	42	46	138
	CBO estimate	—	10	31	38	43	122
277	Quincyburg and Shoshone Rivers Valley National Heritage Corridor (P.L. 103-449; H.R. 1349):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
278	Red Rock Canyon National Conservation Area (P.L. 103-450; H.R. 3050):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
279	National Maritime Heritage Act of 1994 (P.L. 103-451; H.R. 3059):						
	OMB estimate	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—
NA	Veterans Health Program Extension Act of 1994 (P.L. 103-452; H.R. 3313):						
	OMB estimate (OMB did not classify this as PAYGO)	—	—	—	—	—	—
	CBO estimate	—	—	—	—	—	—

Table 6. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED TO DATE—Continued
(In millions of dollars)

Report Number	Act Title	Change in the fiscal year baseline deficit					
		1994	1995	1996	1997	1998	1994-98
280	To award a Congressional Gold Medal to Rabbi Menachem Mendel Schneerson (P.L. 103-457; H.R. 4497):						
	OMB estimate	—	•	—	—	—	•
	CBO estimate	—	•	—	—	—	•
281	The Uruguay Round Agreements Act of 1994 (P.L. 103-466; H.R. 5110):						
	OMB estimate	—	-888	205	89	1,194	580
	CBO estimate	—	-889	460	126	1,375	1,064
	Subtotal, enacted in this session:						
	OMB estimate	-484	-1,040	302	111	1,105	-5
	CBO estimate	-389	-884	1,531	1,013	1,867	3,089
	Subtotal, enacted since OBRA 1993:						
	OMB estimate	432	-1,306	-148	-367	-9	-1,288
	CBO estimate	678	-550	1,164	691	889	3,763
	Total, legislation enacted:						
	OMB estimate	-480	-3,009	-148	-367	-9	-3,003
	CBO estimate	714	-218	1,164	691	889	3,121
MEMORANDUM:							
	CBO estimates for all bills with adjustment for ad hoc disaster assistance ¹	714	-718	164	-409	-131	-379
	Official CBO end-of-session estimate ²	-690	-1,506	1,007	710	1,215	948

¹ \$500,000 or less.

² Includes balances from bills enacted prior to OBRA 1993 as shown above.

³ Sum of OMB estimates through the August OMB Sequestration Update Report and CBO estimates for subsequent Acts.

IV. DEFICIT SEQUESTRATION REPORT

The BEA specified maximum deficit amounts through 1996. These deficit amounts reflected economic and technical assumptions as of the time the BEA was enacted. As allowed by the BEA, each January, the maximum deficit amounts were adjusted to reflect up-to-date economic and technical assumptions.

The maximum deficit amounts reflect the "on-budget" current law levels for direct spending and receipts, and the spending limits for general purpose discretionary programs. They do not include "off-budget" mandatory outlays for Social Security and the Postal Service or spending from the Violent Crime Reduction Trust Fund. As Table 7 shows, the current estimated deficit is below the maximum deficit amount for 1996. There is no excess deficit, and thus no sequester is required.

The BEA requires a comparison of the OMB and CBO estimates of the maximum deficit amount for the budget year to be included in the OMB final sequestration report. In its final sequestration report issued on December 9, 1994, CBO estimated the maximum deficit amount for 1996 to be

\$236.3 billion, \$9.1 billion below the OMB estimate of \$245.3 billion. Table 8 shows the major differences between OMB and CBO maximum deficit amounts. The difference is largely explained by difference in three areas: receipts, deposit insurance, and net interest. The BEA requires OMB to use the same economic and technical assumptions contained in the President's February Budget. However, CBO is allowed to update its estimates for recent information. If OMB were allowed to update its estimates for recent information, differences between OMB and CBO would be reduced.

Table 7. MAXIMUM DEFICIT AMOUNTS

(In billions of dollars)

	1996
Current Estimated Deficit	244.0
Less: Maximum Deficit	245.3
Subtotal	-2.3
Excess deficit	0.0

Note: Current Estimated Deficit and Maximum Deficit amounts include emergencies.

**Table 8. DIFFERENCES BETWEEN OMB AND CBO MAXIMUM
DEFICIT AMOUNTS FOR 1996**
(in billions of dollars)

	Comparison based on—	
	OMB February assump- tions	OMB MBR assump- tions
OMB maximum deficit amounts	246.3	234.5
Receipts (deficit impact)	-18.2	-2.9
Outlays:		
Discretionary	0.6	0.6
Mandatory:		
Commodity Credit Corporation	-0.6	-1.3
HUD housing credit liquidating accounts	1.0	1.5
Deposit insurance	-6.3	0.5
Medicaid	-0.2	3.6
Medicare	2.1	-0.4
Supplemental Security Income	-1.7	-0.9
Earned income tax credit	1.3	1.4
Veterans benefits and services	-1.3	-0.9
FCC spectrum auction receipts	-0.9	-0.9
Other mandatory	0.1	-0.1
Subtotal mandatory differences	-6.6	2.6
On-budget interest	15.9	3.3
Total, outlay differences	10.1	6.6
Total, differences	-8.1	3.7
CBO Maximum deficit amounts	238.3	238.3

