

THE DIRECTOR

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

January 3, 2000

The Honorable Al Gore President of the Senate Washington, D.C. 20515

Dear Mr. President:

Enclosed are the reports, as required by the Balanced Budget and Emergency Deficit Control Act of 1985 (section 251(a)(7)), as amended, for H.R. 2684, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2000 (P.L. 106-74); H.R. 1906, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, FY 2000 (P.L. 106-78); and, H.R. 2561, the Department of Defense Appropriations Act, FY 2000 (P.L. 106-79).

Sincerely,

Jacob J. Lew

Director

Enclosure

Identical Letter Sent to The Honorable J. Dennis Hastert



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The Honorable J. Dennis Hastert Speaker of the House of Representatives Washington, D.C. 20515

Dear Mr. Speaker:

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	FY 20	00
	BA	OL
EMERGENCY SPENDING		
CBO ESTIMATE, EMERGENCY SPENDING	2,480	72
Scorekeeping Differences:		
Federal Emergency Management Agency		
Disaster Relief Contingent Emergency	-2,480	
CBO scores contingent emergency appropriations at the time of enactment. OMB scores contingent emergency appropriations when funds are released, and will provide estimates in subsequent reports on the status of the discretionary spending limits.		
Other Scorekeeping Differences *		-72
CBO's estimate includes outlays from emergency spending enacted in P.L. 106-31.		
Total Differences	-2,480	-72
OMB ESTIMATE, EMERGENCY SPENDING		
OTHER DISCRETIONARY SPENDING		
CBO ESTIMATE, OTHER DISCRETIONARY SPENDING	69,376	83,623
Scorekeeping Differences:		
Department of Housing and Urban Development:		
Annual Contributions for Assisted Housing/Housing Certificate Fund	35	-248
CBO scores all of the Section 208 rescission and the \$5 million additional BA for the Moving-to-Work demonstration project in this account, while OMB scores \$40 million of the rescissions and the Moving-to-Work demonstration project in other accounts. OMB and CBO have different estimates of associated outlay savings.		

	FY 2000	
	BA	OL
FHA General and Special Risk Insurance; Offsetting Receipts CBO estimates \$2 million less in negative subsidy than OMB and an additional \$7 million in administrative contract expenses for the program, resulting in a BA difference of \$9 million. The outlay difference is due to the difference in receipts and to different outlay rate assumptions.	-9	-32
Moving-to-Work Demonstration Project CBO scored the BA and outlays for this demonstration project in the Housing Certificate Fund.	5	1
FHA-Mutual Mortgage Insurance Program The enacted bill provides \$16 million in contingency funding for FHA administrative expenses. CBO estimates a higher loan volume and assumes that \$4 million of this contingency will be met. OMB's estimate of loan volume	-4	-4
is lower, and assumes that the contingency will not be required. Homeownership Grants OMB scores \$11 million of the Section 208 rescission in this account, while CBO scores the entire amount against the Annual Contributions for Assisted Housing account.	-11	
Other Assisted Housing Programs OMB scores \$23 million of the Section 208 rescission in this account. CBO scores the entire amount against the Annual Contributions for Assisted Housing account. The outlay difference is due to different estimates of outlays from prior year budget authority.	-23	44
Non-Profit Sponsor Assistance OMB scores \$6 million of the Section 208 rescission in this account, while CBO scores the entire amount against the Annual Contributions for Assisted Housing account.	-6	
Office of Inspector General OMB scored \$5 million in BA for the reappropriation of funds in FY 2000 which were originally appropriated in the FY 1999 VA/HUD appropriations bill. This reappropriation was enacted as part of P.L. 106-31.	5	

	FY 2000	
	BA	OL
Department of Veterans Affairs:		
Medical Care Collections-Offsetting Receipts	-154	-154
OMB's estimate of third-party collections, which are available for spending in the Medical Care account, is \$154 million more than CBO.		
Medical Care	113	-88
OMB estimates more collections than CBO and scores more in available BA and associated outlays. In addition, OMB scores a \$28 million transfer to General Operating Expenses and assumes that of the total collections, \$13 million is from FY 1999, and are are unavailable for expenditure. The outlays associated with the transfer and differences in spendout rates for the medical care activity account for outlay estimating differences.		
General Operating Expenses	28	4
OMB scores a \$28 million transfer from VA Medical care to this account. CBO scoring does not reflect the transfer. The outlays associated with the transfer and differences in spendout rates account for the outlay difference.		
Environmental Protection Agency:		
Science and Technology	-38	-7
CBO treats the \$38 million transfer into this account from Superfund as a non- expenditure transfer of resources, which increases BA in this account. OMB treats the transfer as a reimbursable transaction. The outlay difference is due to the different treatment of the transfer and to differences in spendout rates.		
Office of the Inspector General	-11	-10
CBO treats the transfer of \$11 million into this account from Superfund as a non-expenditure transfer of resources, which increases BA and outlays in this account. OMB treats the transfer as a reimbursable transaction.		

	FY 2000	
	BA	OL
Hazardous Substance Superfund	49	31
CBO treats the transfer of \$11 million and \$38 million from this account to Science and Technology and the OIG (see above) as a non-expenditure transfer, which decreases net BA and outlays in this account. OMB treats these transfers as payments out of this account.		
Corporation for National and Community Service:		
Operating Expenses/Gifts and Contributions	-1	80
The BA difference is due to rounding. For outlays, OMB uses a higher first- year outlay rate (27 percent) than CBO (12 percent) for operating expenses and OMB estimates \$14 million more in outlays by the National Service trust fund/Gifts and contributions accounts.		
Other Scorekeeping Differences:		
CBO rounding adjustment	2	
Technical Outlay Estimating Differences:		
Department of Housing and Urban Development:		
Public Housing Capital Fund		-399
OMB and CBO have different assumptions for outlays from prior-year balances , due primarily to different estimates of when construction/rehabilitation of units will begin.		
Homeless Assistance Grants		-86
OMB and CBO's first-year outlay rate assumptions differ by two percentage points, and CBO assumes \$66 million more in outlays from prior-year balances .		
Community Development Loan Program		5
CBO estimates \$5 million less in prior year outlays.		
Home Investment Partnership Program		156
CBO estimates \$155 million less in prior-year outlays and slightly slower spendout of new BA.		

	FY 2000	
	BA	OL
Housing Opportunities for Persons with AIDS		-21
CBO estimates \$21 million more in prior-year outlays than OMB.		
America's Private Companies Investment Program		9
OMB has a higher first-year spendout rate (75 percent) than CBO (30 percent) for this new program.		
Housing for Special Populations		23
OMB estimates higher prior-year outlays.		
Rental Housing Assistance/Flexible Subsidy Fund		-15
The difference is due mostly to higher OMB estimates (\$43 million) of collections than CBO (\$31 million).		
Research and Technology		8
The difference is due primarily to higher OMB estimates of prior-year outlays.		
Department of Veterans Affairs:		
Miscellaneous Veterans Housing Loan Guarantee Account		1
OMB assumes a higher level of obligations and corresponding outlays than CBO.		
Construction, Major Projects		-63
CBO estimates higher prior-year outlays (\$244 million) than OMB (\$181 million )		
Construction, Minor Projects		4
The difference is due to higher OMB estimates of prior-year outlays.		
Grants for Construction of State Extended Care Facilities		-4
The difference is due to higher CBO estimates of prior-year outlays.		

	FY 200	00
	BA	OL
Environmental Protection Agency:		
State and Tribal Assistance Grants		192
The difference is due primarily to OMB's higher estimate (+\$210 million) of prior-year outlays, but also to a small difference in first-year spendout rates.		
Federal Emergency Management Agency:		
Disaster Relief		-297
CBO assumes no new outlays in FY 2000 from new budget authority and \$490 million more in prior-year outlays than OMB. OMB assumes a 65 percent first- year outlay rate or \$193 million in new outlays for FY 2000.		
Direct Loan Program Account		-2
CBO uses a 50 percent new outlay rate, while OMB uses 100 percent. In addition, CBO estimates \$3 million more outlays in FY 2000 from prior year balances than OMB.		
National Flood Insurance Fund/National Flood Mitigation Fund		-103
OMB and CBO have different first-year outlay assumptions for the flood mitigation fund. In addition, CBO scores discretionary outlays from language allowing FEMA to transfer premium collections for authorized flood mitigation activities, which OMB assumes would occur without the language and thus scores the outlays as mandatory.		
National Aeronautics and Space Administration:		
Space Flight, Control, and Data Communication		9
OMB estimates \$9 million more in prior-year outlays than CBO.		
Construction of Facilities		39
OMB estimates \$39 million more in outlays for construction than CBO from prior year balances.		
Research and Development		29
OMB estimates \$29 million more in prior-year outlays than CBO.		

	FY 2000	
	BA	OL
Science, Aeronautics and Technology		-225
CBO assumes a higher first-year spendout rate (47 percent) than OMB (45 percent). In addition, CBO assumes \$103 million more in outlays from prior-year balances.		
Mission Support		-72
OMB and CBO first-year outlays from new FY 2000 enacted budget authority differ by less than one-percent. CBO estimates \$70 million more in outlays from prior year balances than OMB.		
National Science Foundation:		
Major Research Equipment		-20
OMB assumes an 11 percent first-year rate for this account. CBO assumes a 20 percent first-year rate and \$11 million more in outlays from prior-year balances.		
Research and Related Ativiites		-3
OMB assumes a first-year outlay rate of 22.2 percent and CBO assumes 25 percent. In addition, CBO estimates \$1 million more in prior year outlays than OMB.		
Other:		
Community Development Financial Institutions Fund Program		4
CBO assumes a first year spend-out rate of 16 percent, while OMB assumes zero but estimates \$19 million more in prior-year outlays than CBO.		
Other Technical Outlay Estimating Differences		-39
Total Differences	-20	-1,253
OMB ESTIMATE, OTHER DISCRETIONARY SPENDING	69,356	82,370

#### <u>NOTES</u>

\* OMB estimates of budget authority and outlays from releases of contingent emergency appropriations and from emergency appropriations contained in P.L. 106-31 can be found in Table 4 of this report.

# Table 2.Estimates Contained in P.L. 106-78,Agriculture, Rural Development, Food and Drug Administration,<br/>and Related Agencies Appropriations Act, FY 2000<br/>(in millions of dollars)

	FY 20	00
	BA	OL
EMERGENCY SPENDING		
CBO ESTIMATE, EMERGENCY SPENDING	8,742	8,508
Scorekeeping Differences:		
Department of Agriculture:		
CBO scores contingent emergency appropriations at the time of enactment. OMB scores contingent emergency appropriations when funds are released, and will provide estimates in subsequent reports on the status of the discretionary spending limits.		
Federal Crop Insurance	-250	-113
Emergency Assistance Amendment	-8,447	-8,167
Emergency Assistance Amendment, All Other	-2	-2
Other Scorekeeping Differences *	-43	-226
CBO's estimate includes a contingent emergency advance appropriation of \$43 million in budget authority, and outlays from emergency spending enacted in P.L. 106-31.		
Total Differences	-8,742	-8,508
OMB ESTIMATE, EMERGENCY SPENDING		
OTHER DISCRETIONARY SPENDING		
CBO ESTIMATE, OTHER DISCRETIONARY SPENDING	13,945	14,233
Scorekeeping Differences:		
Department of Agriculture:		
Office of the Secretary	-1	3

BA difference is due to rounding. CBO estimates lower outlays from new authority (\$2 million) and lower outlays from prior-year balances (\$1 million).

# Table 2.Estimates Contained in P.L. 106-78,Agriculture, Rural Development, Food and Drug Administration,<br/>and Related Agencies Appropriations Act, FY 2000<br/>(in millions of dollars)

	FY 2000	
	BA	OL
Executive Operations	-1	-1
	·	
BA and OL difference is due to rounding.		
Agriculture Research Service	-1	36
BA difference is due to rounding. CBO estimates lower outlays from new authority (\$34 million) and lower outlays from prior-year balances (\$2 million) than OMB.		
Farm Service Agency: Commodity Credit Corporation Fund	13	15
CBO scores the per acre cost of the Wetlands Reserve Program at a different rate than OMB, and scores savings (\$13 million) from the HUB Zones program, which OMB does not score because the savings would not be triggered under the baseline market conditions.		
Food and Nutrition Service: Food stamp program	18	16
OMB scores increases above the baseline and new activities that have been added by appropriations bills as discretionary in this otherwise mandatory account. CBO only scores new activities not funded in its mandatory baseline as discretionary.		
Cooperative State Research, Education, and Extension Service	-1	19
CBO estimates higher outlays from new authority (\$10 million) and lower outlays from prior-year balances (\$29 million) than OMB.		
Food and Nutrition Service: Child nutrition program	10	11
OMB scores increases above the baseline and new activities that have been added by appropriations bills as discretionary in this otherwise mandatory account. CBO only scores new activities not funded in its mandatory baseline as discretionary.		
Technical Outlay Estimating Differences:		
Foreign Agriculture Service: P.L. 480 Title II and III		60
CDO actimates lower outlous from prior upor belonces than OND		

CBO estimates lower outlays from prior-year balances than OMB.

# Table 2.Estimates Contained in P.L. 106-78,Agriculture, Rural Development, Food and Drug Administration,<br/>and Related Agencies Appropriations Act, FY 2000<br/>(in millions of dollars)

	FY 2000	
	BA	OL
Office of the Secretary: Fund for Rural America		-26
CBO estimates less outlay savings (\$4 million) than OMB (\$33 million).		
Rural Business: Cooperative Service		-8
CBO estimates higher outlays from new authority (\$17 million) and lower outlays from prior-year balances (\$9 million) than OMB.		
Natural Resources Conservation Services		-47
CBO estimates higher outlays from new authority (\$13 million) and higher outlays from prior-year balances (\$34 million) than OMB.		
Rural Community Advancement Program		42
CBO estimates lower outlays from new authority (\$41 million) and lower outlays from prior-year balances (\$1 million) than OMB.		
Other technical outlay estimating differences		34
Total Differences	37	154
OMB ESTIMATE, OTHER DISCRETIONARY SPENDING	13,982	14,387

#### <u>NOTES</u>

\* OMB estimates of budget authority and outlays from releases of contingent emergency appropriations and from emergency appropriations contained in P.L. 106-31 can be found in Table 4 of this report.

#### Table 3. Estimates Contained in P.L. 106-79, Department of Defense Appropriations, FY 2000 (in millions of dollars)

	FY 20	00
	BA	OL
EMERGENCY SPENDING		
CBO Estimate, Emergency Spending	9,038	10,924
Operations and Maintenance	-7,200	-4,817
CBO scores contingent emergency appropriations at the time of enactment. OMB scores contingent emergency appropriations when funds are released, and will provide estimates in subsequent reports on the status of the discretionary spending limits.		
Military Personnel *	-1,838	-6,107
CBO's estimate includes a contingent emergency advance appropriation of \$1 .838 billion in budget authority and outlays from emergency spending enacted in P.L. 106-31.		
Total Differences	-9,038	-10,924
OMB Estimate, Emergency Spending		
OTHER DISCRETIONARY SPENDING		
CBO ESTIMATE, DISCRETIONARY SPENDING	260,387	256,908
Scorekeeping Differences:		
Spectrum Auction Receipts	-2,600	-2,600
CBO estimates that legislative changes to speed the receipt of spectrum auction proceeds will not result in increased receipts in FY 2000. OMB estimates that the legislation will net \$2.6 billion in accelerated receipts.		
Defense Vessel Transfer Program Account	-31	-31
CBO assumes that the transfer of vessels will occur in two phases: two ships in FY 1999 and two in FY 2000, with additional subsidy costs of \$31 million in FY 2000. OMB assumes that all contracts will be made in FY 1999.		

#### Table 3. Estimates Contained in P.L. 106-79, Department of Defense Appropriations, FY 2000 (in millions of dollars)

	FY 2000	
	BA	OL
EMERGENCY SPENDING		
Foreign Military Sales Deposits	-7	-7
CBO estimates deposits to the Foreign Military Sales Trust Fund for recovery of Foreign Military Sales expenses will be \$87 million, \$7 million less than OMB.		
O&M Air Force	-19	
CBO scores \$19 million for a multi-year aircraft lease pilot program for leasing aircraft for operational support purposes. OMB does not assume any cost for this provision.		
Amendment to Military Construction Appropriations Act, 1995	1	1
CBO scores a loss of receipts of one million dollars due to this amendment, while OMB scores a loss of two millions dollars.		
Military Construction, Air Force	-13	-2
Section 8163 amends the National Defense Authorization Act for FY 2000 increasing the amount available for the construction at the New York Rome Research Site by \$13 million. OMB does not expect any cost from this provision in FY 2000.		
Commodity Credit Corporation export loans program account	-43	-32
CBO assumes a \$43 million loss to the Commodity Credit Corporation due to Title IX, Waiver of Certain Sanctions Against India and Pakistan. These losses were already built into the OMB baseline and therefore do not score.		
Other Scorekeeping Differences		-773
CBO's estimate of outlays from prior-year balances includes estimates of unreleased contingent emergency spending. OMB does not score contingent emergency appropriations until they are released.		
Technical Outlay Estimating Differences:		
OMB and CBO conduct a joint annual outlays rate review. However, there is disagreement in the following accounts:		
Military Personnel, Navy		102
Military Personnel, Army		152

#### Table 3. Estimates Contained in P.L. 106-79, Department of Defense Appropriations, FY 2000 (in millions of dollars)

	FY 2000	
	BA	OL
EMERGENCY SPENDING		
Military Personnel, Air Force		-337
Overseas Contingency Operations Transfer Account		-233
Quality of Life Enhancements, Defense		-194
Operation and Maintenance, Defense wide		-191
Operation and Maintenance, Navy		-1,285
Operation and Maintenance, Army		-463
Operation and Maintenance, Air Force		-1,011
Pentagon Renovation Transfer Fund		-230
Procurement, Defense-wide		-235
Weapons Procurement, Navy		-75
Shipbuilding and Conversion, Navy		-628
Aircraft Procurement, Air Force		-517
Missile Procurement, Air Force		-126
Other Procurement, Air Force		-158
RDT&E, Defense-wide		-384
RDT&E, Navy		-214
RDT&E, Army		-201
RDT&E, Air Force		248
Working Capital Fund		-783
Other Technical Outlay Estimating Differences		-216
Rounding Differences:		
National Guard personnel, Air Force	-1	
O&M, Defense-wide	1	

## Table 3.Estimates Contained in P.L. 106-79,Department of Defense Appropriations, FY 2000<br/>(in millions of dollars)

	FY 2000		
	BA	OL	
EMERGENCY SPENDING			
Former Soviet Union threat reduction account	-1		
O&M, Army	-1		
Chemical agents and munitions destruction, Army	-1		
CBO rounding adjustment	-3		
CBO scores appropriations bill totals in thousands. This adjustment is used to bridge account level detail, scored in millions, to the bill total in thousands.			
Total Differences	-2,718	-10,423	
OMB ESTIMATE, DISCRETIONARY SPENDING	257,669	246,485	

#### <u>NOTES</u>

\* OMB estimates of budget authority and outlays from releases of contingent emergency appropriations and from emergency appropriations contained in P.L. 106-31 can be found in Table 4 of this report.

	FY 1999		FY 1999		FY 2000	
	BA	Outlays	BA	Outlays		
Defense Discretionary Spending Limit						
Defense Discretionary Spending Limit 1	286,578	275,732	N/A	N/A		
Total Enacted, Defense Discretionary Spending	286,572	274,475	N/A	N/A		
Appropriations over/under (-) spending limits	-6	-1,257	N/A	N/A		
Non-Defense Discretionary, Excluding Special Categories						
Non-Defense Discretionary, Excluding Special Categories, Spending Limits <sup>1</sup>	289,735	276,815	N/A	N/A		
Total Enacted, Non-Defense Discretionary, Excluding Special Special Categories	289,298	274,781	N/A	N/A		
Appropriations over/under (-) spending limits	-437	-2,034	N/A	N/A		
Violent Crime Reduction Spending						
Violent Crime Reduction Spending Limits <sup>1</sup>	5,800	4,953	4,500	5,554		
Total Enacted, Violent Crime Reduction Spending	5,797	4,946	132	128		
Appropriations over/under (-) spending limits	-3	-7	-4,368	-5,426		

	FY 1999		FY 2000	
	BA	Outlays	BA	Outlays
Highway Category Spending				
Highway Category spending limits <sup>1</sup>		21,991		24,574
Total Enacted, Highway Category Spending		21,568		24,574
Appropriations over/under (-) spending limits		-423		
Mass Transit Category Spending				
Mass Transit Spending Limits <sup>1</sup>		4,401		4,117
Total Enacted, Mass Transit Spending		3,942		4,117
Appropriations over/under (-) spending limits		-459		

	FY 1999		FY 2000	
	BA	Outlays	BA	Outlays
Other Discretionary Spending				
Other Discretionary Spending Limits <sup>1</sup>	N/A	N/A	531,771	541,574
Amount Previously Enacted	N/A	N/A	58,096	61,230
Amount previously enacted, by bill <sup>2</sup> :				
Veterans Affairs, Housing and Urban Development, and Independent Agencies	N/A	N/A		322
Treasury and General Government	N/A	N/A		160
Department of Defense	N/A	N/A		2,265
Amount Provided in P.L. 106-74, Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2000	N/A	N/A	69,356	82,370
Amount Provided in P.L. 106-78, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Agencies Appropriations Act, FY 2000	N/A	N/A	13,982	14,387
Amount Provided in P.L. 106-79, Department of Defense Appropriations Act, FY 2000	N/A	N/A	257,669	246,485
Total Enacted, Other Discretionary Spending	N/A	N/A	399,103	407,219
Appropriations over/under (-) spending limits	N/A	N/A	-132,668	-134,355

	FY 1999		FY 2000	
	BA	Outlays	BA	Outlays
Total Discretionary Spending				
Total Discretionary Spending limits <sup>1</sup>	582,113	583,892	536,271	575,819
Amount Previously Enacted	581,667	579,712	58,228	90,049
Amount Provided in P.L. 106-74, Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Act, FY 2000			69,356	82,692
Amount Provided in P.L. 106-78, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Agencies Appropriations Act, FY 2000			13,982	14,547
Amount Provided in P.L. 106-79, Department of Defense Appropriations Act, FY 2000			257,669	248,750
Total Enacted, Total Discretionary Spending	581,667	579,712	399,235	436,038
Appropriations Over/Under (-) Spending Limits	-446	-4,180	-137,036	-139,781

#### <u>NOTES</u>

<sup>1</sup> FY 1999 and FY 2000 limits are the limits included in the August Update Report that was transmitted to the Congress on August 25, 1999. They include: enacted emergency appropriations and released contingent emergency appropriations, and other adjustments permitted under the Budget Enforcement Act (BEA) of 1997.

<sup>2</sup> Includes amounts previously appropriated in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act.