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HOW HIGH DID THE SENATE BUDGET RESOLUTION SET DOMESTIC DISCRETIONARY FUNDING FOR 2007?

There has been misunderstanding regarding the amount of funding for domestic discretionary programs added to the Senate budget resolution on the Senate floor. Some have thought that the Senate floor added \$16 billion in 2007 funding for *domestic* discretionary programs. Not counting an amendment offered by Senators Arlen Specter and Tom Harkin (to which we will return shortly), the Senate floor did vote to increase 2007 funding for *certain* specific domestic discretionary program areas (or budget “functions”) by \$16.6 billion, compared to the levels the Senate Budget Committee had approved. But the Senate also voted offsetting reductions in domestic discretionary funding of \$14.6 billion (with the reductions left unspecified).¹ As a result, most of the \$16 billion “increase” in funding for domestic discretionary programs was cosmetic rather than real.

The Specter amendment increased the amount of “advance appropriations” that Congress can make for fiscal year 2008 by \$7 billion, which effectively makes room for an additional \$7 billion in funding for discretionary programs in 2007. Including this \$7 billion as added funding in 2007, the net result of all of the Senate floor action is as follows.

- With the Specter amendment, the Senate’s overall level for domestic discretionary funding in 2007 is just slightly above the Congressional Budget Office baseline, which is CBO’s estimate of the amount needed to maintain the levels of service these programs currently provide. (The CBO baseline for 2007 simply equals the funding levels that Congress appropriated for 2006, adjusted for inflation.)
- Specifically, counting the \$7 billion that the Specter amendment effectively makes available in 2007, the Senate resolution provides \$391.7 billion in domestic discretionary funding for 2007. This is 0.4 percent — or slightly more than \$1.6 billion — above CBO’s baseline level of \$390 billion. By contrast, the level reported by the Senate Budget Committee (\$382.7 billion) represented a *\$7.4 billion cut* below the level that CBO projects is needed to maintain current

¹ Most of the funds added on the Senate floor to specific budget categories (or “functions”) were accompanied by offsetting reductions in “Function 920: Allowances.” Function 920 contains no actual programs but is where unspecified decreases or increases in funding can be placed. Amendments that increase funding for a budget function containing specific programs but offset the increase with an equivalent reduction in Function 920 result in *no change* in the total amount of funding allocated to the Appropriations Committee. Since the amounts that the budget resolution assumes for specific budget functions are *not binding* on the Appropriations Committee, and the appropriators *are bound by the overall amount* that they are allocated under the budget resolution, amendments that increase funding for one budget function and reduce funding in Function 920 by the same amount are essentially cosmetic.

services.

- These domestic discretionary levels include funding for homeland security. The President’s budget proposes to increase funding for domestic homeland security programs by \$1.1 billion above the baseline. If that request is honored, then under the Senate level, the rest of the domestic discretionary part of the budget would be only about \$500 million above the CBO baseline. In effect, outside of homeland security, the Senate’s domestic funding level — even with the Specter amendment — is simply about equal to CBO’s baseline estimate of what is required to maintain current service levels.

The following table summarizes these figures.

Budget Authority for Domestic Discretionary Programs			
	billions	% change re 2006	% change re CBO baseline
2006 enacted level	\$381.0		
CBO baseline for 2007, not including any amounts for emergencies	\$390.0	2.4%	...
Senate Budget Committee level	\$382.7	0.4%	-1.9%
Senate-passed level for 2007, treating the Specter amendment as a 2007 cost ¹	\$391.7	2.8%	+0.4%

1. The Specter amendment is officially scored as adding \$7.0 billion in BA to 2008, not to 2007. Based on this official scoring, the 2007 Senate-passed level for domestic programs is only \$384.7 billion. However, as Senator Specter freely admits, the money is intended to be used for education and similar programs whose “program year” is a 12-month period spanning 2007 and 2008, so that adding funding to 2008 is just as good as adding funding to 2007. For this reason, we portray the Senate-passed 2007 level as \$391.7 billion.

The Senate-passed resolution also includes \$4.3 billion held in reserve for domestic emergencies (as well as larger amounts held in reserve for defense emergencies). These amounts will not be allocated in advance to the Appropriations Committee and are not available for ongoing programs; they consequently are not included here.

\$16 Billion Increase Applies to Discretionary Programs As a Whole, Including Defense

Amendments adopted on the Senate floor also increased 2007 funding for defense and international programs by more than \$8 billion. Altogether, Senate floor action increased the cap on total discretionary budget authority for 2007 by about \$9 billion (increasing total allowable 2007 funding by about \$16 billion if the Specter amendment is counted as 2007 funding). Thus, it is correct to say that the Senate increased 2007 discretionary funding by \$16 billion; but that is the increase in *total* discretionary funding (including funding for defense and international programs), *not* the increase for domestic programs alone.