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OMB FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND CONGRESS FOR FISCAL YEAR 1994

DECEMBER 10, 1993

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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.

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

THE DIRECTOR

December 10, 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

Enclosed please find the OMB Final Sequestration Report to the President and Congress for Fiscal Year 1994. 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:

- the final estimates of the discretionary spending limits;
- a summary of legislation enacted as of December 3, 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,

Leon E. Panetta
Director

Enclosure

Identical Letters Sent to Honorable Albert Gore, Jr. 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 1995, 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 was 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 1998 by the Omnibus Budget Reconciliation Act of 1993 (OBRA93), which became law on August 10, 1993. 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 legislation enacted during the first session of the 103rd Congress. The estimates in this report reflect legislation enacted and signed into law by the President through December 3, 1993. As required by the BEA, the estimates use the same economic and technical assumptions contained in the President's FY 1994 Budget, which was transmitted to Congress on April 8, 1993.

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 limited budget authority and outlays available for three categories of discretionary programs from 1991 through 1993: defense, international, and domestic. Appropriations that caused either the budget authority or outlay limits—also known as caps—for any category to be exceeded would have triggered a sequester to eliminate any such breach in that category.

For 1994 through 1998, there are no separate categories for discretionary programs, and the caps apply to total discretionary budget authority and outlays. Table 1 is a summary of all changes to the 1991 through 1995 caps originally enacted in the BEA.

Adjustments to the discretionary limits.—Tables 2 and 3 show the impact on the discretionary limits of various adjustments permitted by section 251(b) of the BEA. 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 included in the sequestration preview report included in the President's FY 1994 Budget.

Section 251(b)(2) of the BEA authorizes additional adjustments. Tables 2 and 3 include those adjustments that can be made now due to legislation enacted during the first 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 budget 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 April 8th preview report, an additional $5.4 billion has become available for "emergency requirements," (mostly to provide assistance in response to the Midwest flood).

Table 1. SUMMARY OF CHANGES TO DISCRETIONARY SPENDING LIMITS

(In billions of dollars)

		1991	1992	1993	1994	1995
TOTAL DISCRETIONARY						
Statutory Caps as Set in OBRA 1990	BA	491.7	503.4	511.5	510.8	517.7
	OL	514.4	524.9	534.0	534.8	540.8
Adjustments for Allowances	BA	....	3.6	2.9	2.9	....
	OL	2.6	3.1	2.7	3.4	1.3
Adjustments for IRS Funding, IMF, and Debt Forgiveness	BA	0.2	0.2	12.5	0.2	....
	OL	0.3	0.3	0.3	0.4	0.2
Adjustments for Changes in Inflation	BA	....	-0.5	-5.1	-9.5	-9.8
	OL	....	-0.3	-0.5	-5.8	-7.9
Adjustments for Redefinition of Concepts (credit reform, etc.), and credit reestimates	BA	....	7.7	8.7	8.6	9.5
	OL	....	1.1	2.9	2.8	3.5
Adjustments for Emergency Requirements	BA	0.9	8.3	4.2	0.2	....
	OL	1.1	1.8	5.1	4.2	1.5
Subtotal, Adjustments Excluding Desert Shield/Desert Storm	BA	1.1	19.3	23.1	2.4	-0.3
	OL	3.9	5.9	8.5	5.0	-1.4
Adjustments for Desert Shield/Desert Storm	BA	44.2	14.0	0.6	*	*
	OL	33.3	14.9	7.5	2.8	1.0
Final Sequestration Report Discretionary Spending Limits	**BA**	**537.1**	**536.6**	**535.2**	**513.2**	**517.4**
	OL	**551.6**	**545.7**	**550.1**	**542.6**	**540.5**

* Less than $50 million.

Table 2. DISCRETIONARY SPENDING LIMITS

(In millions of dollars)

		1991	1992	1993	1994	1995
DOMESTIC						
Domestic limits, October 23, 1992 Final Sequestration Report	**BA**	**182,935**	**209,169**	**206,325**	....	....
	OL	**200,470**	**215,562**	**229,916**	....	....
Adjustments included in the April 1993 Preview Report:						
1992 Inflation	BA	....	....	....	-1,823	-1,881
	OL	....	....	....	-791	-1,515
Reestimates of credit reform subsidies	BA	....	....	....	-132	-135
	OL	....	....	....	-108	-120
Statutory and other shifts between categories	BA	....	....	....	-1,047	-206
	OL	....	....	....	-821	-23
Emergency appropriations (release of contingencies)	BA	....	....	....	....	....
	OL	....	....	....	48	56
Subtotal, domestic adjustments for the Preview Report	BA	....	....	....	-3,002	-2,222
	OL	....	....	....	-1,672	-1,602
Preview Report domestic limits	**BA**	**182,935**	**209,169**	**206,325**	....	....
	OL	**200,470**	**215,562**	**229,916**	....	....
Adjustments for the August Update Report:						
Domestic emergencies:						
Supplemental Appropriations Act of 1993 (PL 103–50)	BA	....	....	....	....	....
	OL	....	....	-14	8	2

Table 2. DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

		1991	1992	1993	1994	1995
Emergency Supplemental Appropriations for Relief From the Major, Widespread Flooding in the Midwest Act of 1993 (PL 103–75) (Discretionary programs)[1]	BA			3,788	100	
	OL			571	2,452	759
Emergency Supplemental Appropriations for Relief From the Major, Widespread Flooding in the Midwest Act of 1993 (PL 103–75) (Mandatory programs)[1]	BA				1,000	
	OL				1,000	
Statutory shift between categories (CCC)[1]	BA				-1,000	
	OL				-1,000	
Emergency appropriations (release of contingencies)	BA			402		
	OL			14	371	15
Special outlay allowance used	BA					
	OL			174		
Subtotal, domestic adjustments required for Update Report	BA			4,190	100	
	OL			745	2,831	776
Update Report domestic limits	**BA**	**182,935**	**209,169**	**210,515**		
	OL	**200,470**	**215,562**	**230,661**		
Adjustments for the Final Sequestration Report:						
IRS funding	BA				187	
	OL				183	4
Special allowances	BA				1,609	
	OL				853	499
Emergency appropriations (release of contingencies)	BA				90	
	OL				78	13
Subtotal, Final Sequestration Report domestic adjustments	BA				1,886	
	OL				1,114	516
Final Sequestration Report domestic limits	**BA**	**182,935**	**209,169**	**210,515**		
	OL	**200,470**	**215,562**	**230,661**		
INTERNATIONAL						
International limits, October 23, 1992 Final Sequestration Report	**BA**	**21,245**	**22,191**	**35,081**		
	OL	**20,296**	**19,840**	**20,601**		
Adjustments included in the April 1993 Preview Report:						
1992 Inflation	BA				-366	-375
	OL				-105	-151
Reestimates of credit reform subsidies	BA				2	2
	OL				36	32
Subtotal, international adjustments required for Preview Report	BA				-364	-373
	OL				-69	-119
Preview Report international limits	**BA**	**21,245**	**22,191**	**35,081**		
	OL	**20,296**	**19,840**	**20,601**		
Adjustments for the August Update Report	BA					
	OL					
Update Report international limits	**BA**	**21,245**	**22,191**	**35,081**		
	OL	**20,296**	**19,840**	**20,601**		
Adjustments for the Final Sequestration Report:						
Special allowances	BA				1,271	
	OL				585	254
Subtotal, Final Sequestration Report international adjustments	BA				1,271	

Table 2. DISCRETIONARY SPENDING LIMITS—Continued

(In millions of dollars)

		1991	1992	1993	1994	1995
	OL	....	....	....	585	254
Final Sequestration Report international limits	BA	**21,245**	**22,191**	**35,081**	....	....
	OL	**20,296**	**19,840**	**20,601**	....	....
DEFENSE						
Defense limits, October 23, 1992 Final Sequestration Report	BA	**332,918**	**305,288**	**289,651**	....	....
	OL	**330,802**	**310,299**	**298,861**	....	....
Adjustments included in the April 1993 Preview Report:						
1992 Inflation	BA	....	....	....	-2,026	-2,078
	OL	....	....	....	-881	-1,512
Desert Shield/Desert Storm outlay reestimates	BA	....	....	....	....	....
	OL	....	....	....	-1	-100
Subtotal, defense adjustments required for Preview Report	BA	....	....	....	-2,026	-2,078
	OL	....	....	....	-882	-1,612
Preview Report defense limits	BA	**332,918**	**305,288**	**289,651**	....	....
	OL	**330,802**	**310,299**	**298,861**	....	....
Adjustments for the August Update Report	BA	....	....	....	....	....
	OL	....	....	....	....	....
Update Report defense limits	BA	**332,918**	**305,288**	**289,651**	....	....
	OL	**330,802**	**310,299**	**298,861**	....	....
Adjustments for the Final Sequestration Report	BA	....	....	....	....	....
	OL	....	....	....	....	....
Final Sequestration Report defense limits	BA	**332,918**	**305,288**	**289,651**	....	....
	OL	**330,802**	**310,299**	**298,861**	....	....
TOTAL DISCRETIONARY						
Total discretionary limits, October 23, 1992 Final Sequestration Report	BA	**537,098**	**536,648**	**531,056**	**515,312**	**522,071**
	OL	**551,568**	**545,701**	**549,378**	**539,877**	**542,285**
Adjustments included in the April 1993 Preview Report	BA	....	....	....	-5,392	-4,673
	OL	....	....	....	-2,623	-3,333
Preview Report total discretionary limits[1]	BA	**537,098**	**536,648**	**531,056**	**509,920**	**517,398**
	OL	**551,568**	**545,701**	**549,378**	**537,254**	**538,952**
Adjustments for the August Update Report	BA	....	....	4,190	100	....
	OL	....	....	745	2,831	776
Update Report total discretionary limits[1]	BA	**537,098**	**536,648**	**535,247**	**510,020**	**517,398**
	OL	**551,568**	**545,701**	**550,123**	**540,085**	**539,728**
Adjustments for the Final Sequestration Report:						
Total of adjustments shown above	BA	....	....	....	3,157	....
	OL	....	....	....	1,699	770
Special outlay allowance for technical estimating differences	BA	....	....	....	....	....
	OL	....	....	....	822	....
Final Sequestration Report total discretionary limits	BA	**537,098**	**536,648**	**535,247**	**513,177**	**517,398**
	OL	**551,568**	**545,701**	**550,123**	**542,606**	**540,498**

[1] The August 20, 1993 OMB Sequestration Update Report double-counted Emergency Commodity Credit Corporation outlays. This report corrects the double-count.

Table 3. EXTENSION OF DISCRETIONARY SPENDING LIMITS

As Set by the Omnibus Budget Reconciliation Act of 1993

(In millions of dollars)

		1994	1995	1996	1997	1998
Preview Report Discretionary Limits (as of April 1993)	BA	509,920	517,398	....	....	....
	OL	537,254	538,952	....	....	....
Discretionary limits set by the Omnibus Budget Reconciliation Act of 1993	BA	....	....	519,142	528,079	530,639
	OL	....	....	547,263	547,346	547,870
Adjustments:						
Emergency Supplemental Appropriations: Supplemental Appropriations Act of 1993 (Public Law 103–50)	BA	....	....	....	....	....
	OL	8	2	....	....	....
Relief from the Major, Widespread Flooding in the Midwest Act of 1993 (Public Law 103–75)	BA	100	....	....	....	....
	OL	2,452	759	73	22	5
Emergency appropriations (release of contingencies)	BA	90	....	....	....	....
	OL	449	28	1	....	....
IRS compliance initiatives	BA	187	....	....	....	....
	OL	183	4	....	....	....
Special allowance for discretionary new budget authority	BA	2,880	....	....	....	....
	OL	1,438	753	396	134	....
Special outlay allowance for technical estimating differences	BA	....	....	....	....	....
	OL	822	....	....	....	....
Final Sequestration Report Discretionary Spending Limits	BA	513,177	517,398	519,142	528,079	530,639
	OL	542,606	540,498	547,733	547,502	547,875

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 1998, the BEA also provides for an additional budget authority allowance equal to 0.1 percent of the adjusted limit on total discretionary budget authority for the budget year.

Another adjustment is the special outlay allowance. The dollar amounts of the special outlay allowance for 1991 through 1995 are specified in the BEA. The annual allowances for 1991 through 1993 are $2.5 billion for defense, $1.5 billion for international, and $2.5 billion for domestic. The allowances for 1994 and 1995 are $6.5 billion for total discretionary. The outlay allowances through 1995 are reduced by the outlays associated with the budget authority allowances. For 1996 through 1998, the outlay allowances are equal to 0.5 percent of the adjusted discretionary outlay limit.

Status of 1993 discretionary appropriations.—Table 4 summarizes the status of enacted 1993 discretionary appropriations relative to the discretionary caps. In the domestic, international, and defense categories, enacted budget authority and outlays are within the caps.

Status of 1994 discretionary appropriations.—Table 5 shows OMB scoring of 1994 appropriations bills. Total discretionary outlays exceed the cap for 1994 by $822 million. However, the excess is less than the available special outlay allowance of $3.9 billion.

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. CBO uses the discretionary limits from OMB's August 20th sequestration update report as a starting point for the adjustments made in its final sequestration report. There are no differences between OMB and CBO limits for 1993. Table 6 compares OMB and CBO limits for 1994 through 1998.

Emergency funding that is contingent on the President designating the funds as "emergency requirements" is reported differently by OMB and CBO. CBO scores budget authority for contingent appropriations in the fiscal year for which it is appropriated. In its final sequestration report, CBO adjusts the 1994 budget authority caps by $755 million for three contingent emergency appropriations contained in 1994 appropriations bills. OMB scores budget authority for only those contingent appropriations officially requested for release by the President and designated by the President as emergency requirements.

Table 4. **STATUS OF 1993 DISCRETIONARY APPROPRIATIONS**
(In millions of dollars)

	BA	Outlays
DOMESTIC		
Adjusted discretionary spending limits [1]	210,515	230,661
Total enacted	210,292	230,661
Appropriations over/under (−) spending limits	**−223**	....
INTERNATIONAL		
Adjusted discretionary spending limits [1]	35,081	20,601
Total enacted	33,820	20,235
Appropriations over/under (−) spending limits	**−1,261**	**−366**
DEFENSE		
Adjusted discretionary spending limits [1]	289,651	298,861
Total enacted	276,966	290,423
Appropriations over/under (−) spending limits	**−12,685**	**−8,438**
TOTAL DISCRETIONARY		
Adjusted discretionary spending [1]	535,247	550,123
Total enacted	521,078	541,319
Appropriations over/under (−) spending limits	**−14,169**	**−8,804**

[1] Spending limits adjusted pursuant to section 251 of the BEA, including $1,837 million for the use of the special outlay allowance under domestic discretionary.

Table 5. STATUS OF 1994 APPROPRIATIONS

(In millions of dollars)

	BA	Outlays
TOTAL DISCRETIONARY		
Agriculture, Rural Development [1]	14,652	15,863
Commerce, Justice, State and the Judiciary	22,843	23,025
Defense	240,721	254,173
District of Columbia	700	698
Energy and Water Development	22,033	21,996
Foreign Operations	12,939	13,770
Interior and Related Agencies	13,718	13,829
Labor, HHS, Education [2]	67,425	68,542
Legislative Branch	2,270	2,304
Military Construction	10,065	8,874
Transportation	13,278	35,339
Treasury, Postal Service and General Government [3]	11,626	11,998
Veterans Affairs, HUD, Independent Agencies [4]	68,535	72,197
Total discretionary	500,805	542,606
Adjusted discretionary spending limits before special outlay allowance	513,177	541,784
Enacted appropriations over/under (-) limits before special outlay allowance	-12,372	-822
Special outlay allowance for technical estimating differences used		822
Enacted appropriations over/under (−) limits after special outlay allowance	**-12,372**	

[1] Includes $25 million in budget authority and $12.5 million in outlays for Soil Conservation Service contingent appropriations released on November 17, 1993.

[2] Includes $65 million in budget authority and outlays for Public Health and Social Services Emergency Fund contingent appropriations released on October 12, 1993.

[3] Includes $187 million in budget authority and $183 million in outlays for IRS funding.

[4] Outlays estimated for the VA/HUD bill are $28 million less than estimated in the November 1, 1993 five-day-after report for this bill. The change corrects an error in computing the total for the bill.

Table 6. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS

(In millions of dollars)

	1994	1995	1996	1997	1998
CBO limits:					
Budget authority	513,932	517,398	519,142	528,079	530,639
Outlays	542,798	540,653	547,771	547,513	547,875
OMB limits:					
Budget authority	513,177	517,398	519,142	528,079	530,639
Outlays	542,606	540,498	547,733	547,502	547,875
Difference:					
Budget authority	755	—	—	—	—
Outlays	192	155	38	11	—

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 the 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 1994.— As Table 7 shows, pay-as-you-go legislation enacted in calendar years 1991 and 1992 reduced the combined 1993 and 1994 deficits by $3.6 billion. The Omnibus Budget Reconciliation Act of 1993 reduced the deficit by $46.8 billion in 1994 and by over a half a trillion dollars for 1994–1998. However the Act also specified that none of the savings would be included in the pay-as-you-go scorecard. The net impact of pay-as-you-go legislation enacted in calendar year 1993 was to increase the deficit for 1993 and 1994 by a total of $0.8 billion, and to decrease the deficits by a total of $0.7 billion for 1993–1998.

Table 7. **DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF DECEMBER 3, 1993**

(In millions of dollars)

Report Number	Act title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
	LEGISLATION ENACTED IN 1991 AND 1992							
1 to 140	Total impact of all bills:							
	OMB estimate	-2,676	-910	-803	NA	NA	NA	NA
	CBO estimate	-2,676	-910	-803	NA	NA	NA	NA
	LEGISLATION ENACTED IN CALENDAR YEAR 1993							
141	Family and Medical Leave Act of 1993 (Public Law 103–3; HR 1):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
142	Emergency Unemployment Compensation Amendments of 1993 (Public Law 103–6; HR 920):							
	OMB estimate	0	-2	-3	NA	NA	NA	NA
	CBO estimate	0	-2	-3	NA	NA	NA	NA
143	Export Administration Act Extension (Public Law 103–10; HR 750):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA

Table 7. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF DECEMBER 3, 1993—Continued

(In millions of dollars)

Report Number	Act title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
144	Food Stamp Act of Amendments (Public Law 103–11; S 284):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
145	Making Technical Corrections in the Veterans Health Care Act of 1992 (Public Law 103–18; S 662):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
146	Rehabitate Certain Historic Structures in the Gateway National Recreation Area (Public Law 103–26; S 328):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
147	National Voter Registration Act of 1993 (Public Law 103–31; HR 2):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
148	World War II Memorial (Public Law 103–32; S. 214):							
	OMB estimate	0	2	4	NA	NA	NA	NA
	CBO estimate	0	1	2	NA	NA	NA	NA
149	Government Printing Office Electronic Access Enhancement Act of 1993 (Public Law 103–40; S 564):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
150	National Institute of Health Revitalization Act of 1993 (Public Law 103–43; S 1):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
151	Forest Resources Conservation and Shortage Relief Amendments of 1993 (Public Law 103–45; HR 2343):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
152	Big Thicket National Preserve Addition Act of 1993 (Public Law 103–46; S 80):							
	OMB estimate	*	*	*	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
153	Resolve Status of Certain Lands Relinquished to the United States (Public Law 103–48; HR 765):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
154	Extension of Fast Track Procedures for the Uruguay Trade Agreement (Public Law 103–49; HR 1896):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA
155	Naval Vessels Transfer Act (Public Law 103–54; HR2561):							
	OMB estimate	-8	-3	-3	NA	NA	NA	NA
	CBO estimate	-8	-3	-3	NA	NA	NA	NA
156	Cave Creek Canyon Protection Act of 1993 (Public Law 103–56; HR 843):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate	0	0	0	NA	NA	NA	NA

Table 7. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF DECEMBER 3, 1993—Continued

(In millions of dollars)

Report Number	Act title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
157	Spring Mountains National Recreation Area Act (Public Law 103–63; HR 63):							
	OMB estimate	0	0	0	NA	NA	NA	NA
	CBO estimate (CBO did not classify this bill as PAYGO).							
158	Family Farmer Bankruptcy Extension Act of 1993 (Public Law 103–65; HR 416):							
	OMB estimate	0	2	2	NA	NA	NA	NA
	CBO estimate	0	1	1	NA	NA	NA	NA
159	Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; HR 2264): [1]							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
160	Rehabilitation Act Amendments of 1993 (Public Law 103–73; S 1295):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
161	Colorado Wilderness Act of 1993 (Public Law 103–77; HR 631):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
162	Veterans' Compensation Rates Codification and Housing Program Technical Correction Act of 1993 (Public Law 103–78; HR 798):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
163	Veterans' Medical Facility Projects and Leases Authorization (Public Law 103–79; HR 2034):							
	OMB estimate	0	-*	-*	-*	-*	-*	-2
	CBO estimate	0	0	0	0	0	0	0
164	Small Business Guaranteed Credit Enhancement (Public Law 103–81; S 1274):							
	OMB estimate	-12	0	0	0	0	0	-12
	CBO estimate	-12	0	0	0	0	0	-12
165	National and Community Service Trust Act of 1993 (Public Law 103–82; HR 2010):							
	OMB estimate	0	12	7	1	0	0	21
	CBO estimate	0	12	8	0	0	0	20
166	Gallatin Range Consolidation and Protection of 1993 (Public Law 103–91; HR 873):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
167	Utah Schools and Lands Improvement Act of 1993 (Public Law 103–93; S 184):							
	OMB estimate	0	0	0	25	25	0	50
	CBO estimate	0	0	0	25	25	0	50
168	Hatch Act Reform Amendments of 1993 (Public Law 103–94; HR 20):							
	OMB estimate	0	*	*	*	*	*	*
	CBO estimate	0	0	0	0	0	0	0

Table 7. **DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF DECEMBER 3, 1993—Continued**

(In millions of dollars)

Report Number	Act title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
169	Jemez National Recreation Area (Public Law 103–104; HR 38):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
170	Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993 (Public Law 103–116; HR 2399):							
	OMB estimate	0	0	8	8	8	8	32
	CBO estimate	0	0	0	0	0	0	0
171	Phase out of the Department of Agriculture Programs for Wool and Mohair (Public Law 103–130; S 1584):							
	OMB estimate	0	0	-47	-103	-183	-181	-514
	CBO estimate	0	0	-57	-103	-176	-169	-505
172	Most Favored Nation Tariff Treatment for Romania (Public Law 103–133; HJR 228):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	9	0	0	0	0	9
173	Veterans' Compensation Rates Amendments of 1993 (Public Law 103–140; S 616):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
174	Religious Freedom Restoration Act of 1993 (Public Law 103–141; HR 1308):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
175	South African Democratic Transition Support Act of 1993 (Public Law 103–149; HR 3225):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
176	Unemployment Compensation Amendments of 1993 (Public Law 103–152; HR 3167):							
	OMB estimate	0	853	-164	-429	-286	-383	-409
	CBO estimate	0	1,070	-137	-285	-270	-372	6
177	United States Grain Standards Act Amendments of 1993 (Public Law 103–156; S 1490):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
178	Brady Handgun Violence Prevention Act (Public Law 103–159; HR 1025):							
	OMB estimate	0	-2	-1	-2	-3	-3	-11
	CBO estimate	0	-2	-1	-1	-2	-2	-8
179	National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; HR 2401):							
	OMB estimate	0	52	47	43	41	45	228
	CBO estimate	0	13	3	5	6	8	35
180	Veterans' Pension Increase for Congressional Medal of Honor Recipients (Public Law 103–161; HR 3341):							
	OMB estimate	*	*	*	*	*	*	2
	CBO estimate	0	0	0	0	0	0	0
181	Air Force Memorial Foundation (Public Law 103–163; HR 898):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0

Table 7. DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION ENACTED AS OF DECEMBER 3, 1993—Continued

(In millions of dollars)

Report Number	Act title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
182	Lechiguilla Cave Protection Act of 1993 (Public Law 103–169; HR 698):							
	OMB estimate	0	*	*	*	*	*	*
	CBO estimate	0	0	0	0	0	0	0
183	International Parental Kidnapping Crime Act of 1993 (Public Law 103–173; HR 3378):							
	OMB estimate	0	*	*	*	*	*	*
	CBO estimate	0	0	0	0	0	0	0
184	Naval Vessels Transfer Act (Public Law 103–174; HR 3471):							
	OMB estimate	0	-27	-17	-15	-11	-6	-75
	CBO estimate	0	-27	-15	-15	-11	-6	-74
185	Cameron Parish, Louisiana, Land Conveyance (Public Law 103–175; S 433):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
186	American Indian Agricultural Resource Mangement Act (Public Law 103–177; HR 1425):							
	OMB estimate	0	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0	0
186	Intelligence Authorization Act (Public Law 103–178; HR 2330):							
	OMB estimate	0	0	4	4	5	5	18
	CBO estimate	0	0	4	4	5	5	18
187	Patent and Trademark Office Authorization Act of 1993 (Public Law 103–179; HR 2632):							
	OMB estimate	0	-2	-5	-5	-6	-6	-24
	CBO estimate	0	0	0	0	0	0	0
188	Negotiated Rates Act of 1993 (Public Law 103–180; S 412):							
	OMB estimate	*	*	*	*	*	*	*
	CBO estimate	0	0	0	0	0	0	0
	Subtotal, enacted in 1993:							
	OMB estimate	-20	884	-168	-473	-410	-521	-707
	CBO estimate	-20	1,072	-198	-370	-423	-536	-475
	Total, enacted as of December 3, 1993:							
	OMB estimate	-2,696	-26	-971	-473	-410	-521	-5,097
	CBO estimate	-2,696	162	-1,001	-370	-423	-536	-4,864

* $500,000 or less.

NA—The Budget Enforcement Act of 1990 (BEA) required estimates through 1995 only. P.L. 103–66 (OBRA93), enacted in August 1993, requires paygo estimates through 1998.

[1] The Omnibus Reconciliation Act of 1993 specified that none of the savings should be included in the totals of the pay-as-you-go scorecard.

	1994	1995	1996	1997	1998	1994–1998
The OMB estimates (in millions of dollars) for this Act are:	-46,752	-82,713	-100,554	-128,898	-145,846	-504,763

Pay-as-you-go estimates enacted to date.—In total, pay-as-you-go legislation enacted to date has decreased the combined 1993 and 1994 deficits by $2.7 billion. Therefore no sequestration of direct spending programs is required for fiscal year 1994.

Pending legislation.—Several pay-as-you-go bills were cleared for the President in the just completed session, but had not been presented to the President by December 3, 1993, for signature. Because these bills are not yet law, their impact on the deficit cannot be taken into account in this report. Current OMB estimates of bills pending Presidential action are shown in Table 8.

Comparison with CBO estimates.—CBO estimates that pay-as-you-go legislation enacted this year increased the deficits for 1993 and 1994 by a total of $1.1 billion, while OMB estimates an increase of $0.9 billion. Most of this difference is due to a $0.2 billion difference for Public Law 103–152, the Unemployment Compensation Amendments. OMB and CBO had slightly different assumptions about the number of beneficiaries for unemployment compensation and other benefit programs affected by this law. Additional detail on estimating differences between OMB and CBO is available in the separate reports issued subsequent to enactment of each bill.

Table 8. **DEFICIT IMPACT OF PAY-AS-YOU-GO LEGISLATION AWAITING PRESIDENTIAL ACTION**

(OMB estimates, in millions of dollars)

Bill Number	Act Title	Change in the fiscal year baseline deficit						
		1993	1994	1995	1996	1997	1998	1993–1998
HR 2150	Coast Guard Authorizations, FY 1994	(1)						
HR 2535	Persian Gulf War Veterans Health Care Act of 1993	0	*	*	*	*	*	*
HR 2840	Copyright Royalty Tribunal Reform Act of 1993	0	0	0	0	0	0	0
HR 3000	Friendship Act	0	0	0	0	0	0	0
HR 3216	Domestic Chemical Diversion Control Act of 1993	0	0	-6	-6	-6	-6	-24
HR 3450	North American Free Trade Agreement Implementation Act	0	41	11	26	-56	-590	-568
HR 3616	Jefferson Commemorative Coin Act	0	0	0	0	0	0	0
S 422	Government Securities Act Amendments of 1993	0	-1	-1	-1	-1	-1	-5
S 714	Resolution Trust Corporation Completion Act	(1)						
S 944	Fresh Cut Flowers and Fresh Cut and Fresh Cut Greens Promotion and Information Act of 1993	0	0	0	0	0	0	0
S 1507	Higher Education Technical Amendments of 1993	(1)						
S 1777	Food Stamps Amendments	0	0	0	0	0	0	0
	Subtotal	0	40	44	23	-44	-660	-597

Note: The listing and all estimates in the table are preliminary and subject to change. As required by the BEA, OMB will issue final estimates within five days of enactment of all bills determined to be pay-as-you-go.

* $500,000 or less.

[1] NA—Not yet available.

IV. DEFICIT SEQUESTRATION REPORT

The BEA specifies maximum deficit amounts through 1995. These deficit amounts reflect economic and technical assumptions as of the time the BEA was enacted. The BEA required the maximum deficit amounts to be adjusted in the 1992 and 1993 budgets to reflect up-to-date economic and technical assumptions. It provides the President with the option of adjusting the maximum deficit amounts in the 1994 and 1995 budgets. The President exercised this option for the 1994 budget.

As specified in the BEA, the maximum deficit amounts reflect the "on-budget" current law levels for direct spending and receipts, and the spending limits for discretionary programs. They do not include "off-budget" mandatory programs, such as Social Security and Postal Service. Table 9 shows the current maximum deficit amounts and the current estimated deficits calculated using BEA rules. The current estimated deficits are below the maximum deficit amounts (adjusted for pay-as-you-go emergencies) in both years. There is no excess deficit, and thus no sequester is required for 1994.

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 6, 1993, CBO estimated the maximum deficit amount for 1994 to be $312 billion, $13 billion below the OMB estimate. Table 10 shows the major differences between OMB and CBO maximum deficit amounts.Deposit insurance, medicare, medicaid, net interest, and receipts account for most of the difference. The BEA requires OMB to use the economic and technical assumptions contained in the President's April Budget. However, CBO is allowed to update its estimates for recent information. If OMB were allowed to update its economic and technical assumptions, then many of these differences would be reduced.

Table 9. **MAXIMUM DEFICIT AMOUNTS**
(In billions of dollars)

	1994	1995
Current Estimated Deficit	327.5	286.6
Less: PAYGO emergencies enacted	2.6	0.4
Current Estimated Deficit (excluding emergencies)	324.9	286.3
Less: Maximum Deficit	325.6	288.0
Subtotal	-0.7	-1.8
Excess deficit	0.0	0.0

Table 10. **DIFFERENCES BETWEEN OMB AND CBO MAXIMUM DEFICIT AMOUNTS**
(In billions of dollars)

	1994
OMB maximum deficit amount	326
Receipts (deficit impact)	-2
Outlays:	
Discretionary	0
Deposit insurance	7
Medicaid	-4
Medicare	-3
Other mandatory	-3
On-budget net interest	-8
Total outlays	-12
Total, differences	-13
CBO maximum deficit amount	312