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Chapter 1 : United States federal budget - Wikipedia

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The federal budget should put special emphasis on spending that contributes to the long-term strength of the nation. The science policy community watched that budget debate with growing horror, like a prisoner listening to the hammering of workmen raising a gallows. In the two years since then, I have witnessed an unprecedented level of cooperation, coordination, and mobilization by my friends in the science community. On balance, I think that has been a good thing. Moreover, members of Congress are more aware of science issues now than they have been in a long, long time. I think it is the growing activism of the science community that explains the sudden conversions of some of my friends in the Senate who, late in life, have discovered that not only is science full of wonders but talking about supporting science may be good politics too. So I am heartened that the community has answered the call to come to Washington, visit their representatives, and reach out to people in their local communities to let all of them know how important their work is. To the degree that politics is the source of problems for science, then playing politics, dirty as some may perceive that game to be, is a way to make those problems dissolve. This deceptive fantasy has resulted in an unwarranted degree of comfort for many in the science community and in an unfounded faith that better politics will lead to better funding. Better politics will certainly produce better funding than no politics at all, but it simply guarantees a larger slice of a shrinking pie. The reason for this is that not all of the problems with funding for science are simply a result of political machinations. There are problems in the structure of the federal budget process itself that will not allow science to receive the kind of treatment that it deserves and that the nation needs. Unless the community comes to recognize this and works to redress the situation, growth in funding will remain an elusive chimera for most fields. Although I have some thoughts about internal reform of science, I will limit my discussion to the structure of the budget process. Fundamental challenges in the budget process Surely, politics has played some role in the recent decline of science funding, and the more activist approach by the science community has done some good in softening this fall. However, what may have been overlooked is the degree to which the underlying budget process and budget dynamics create structural pressures on all discretionary spending. In , Congress passed the Omnibus Budget Reconciliation Act, which for the first time placed numerical caps on defense and domestic discretionary spending. Under this agreement, federal discretionary spending was intended to decline each year until the deficit was eliminated. More recently, a consensus between Congress and the administration has emerged concerning eliminating the deficit by the year Although many economists remain skeptical that the present deficit, which has been reasonably stable as a fraction of the gross domestic product GDP , has any major influence on interest rates or the economy, the concept of a five-year balanced budget has been transformed into a political imperative. These pressures to balance the budget result in an ever-shrinking pot for discretionary spending and a scramble by scientists to preserve their share of a shrinking pie. What is missing in the annual debates about the budget and how to balance it is any fundamental understanding of how budgetary items differ one from another in their impact on the economy. Without an overarching policy or vision to guide the process, annual budget discussions are reduced to a debate about an accounting framework that is intended to reward a disparate group of political constituencies. The recently announced budget agreement worked out between President Clinton and the Republican leadership of the House and Senate is a perfect example of balancing the budget without any responsible vision guiding the process. That agreement does nothing to protect domestic discretionary accounts or to contain entitlement spending, and the tax cuts it assumes lead to ballooning revenue losses after The end result is a budget that balances in and then swings out of balance again, leaving true solutions to our budget woes for a future administration and Congress to grapple with. It is not clear that it will bind the appropriations process this year or during the next four years. This agreement is crippled because it fails to address the institutional defects of the budget process itself and because of the profound lack of clarity regarding the actual goals of the agreement. No wonder it was necessary to hold weeks-long negotiations after the agreement was announced to clarify what had actually been agreed to. A budget with vision In my mind, the underlying imperative as we balance the budget is to do it in a manner that leaves the U. To do so, we need to begin to distinguish between investment, which yields long-term economic benefits, and consumption, which satisfies immediate social needs. This double challenge, to shift public discourse about the budget from whether it balances to how it balances and to shift public spending from consumption toward productive investments, is an inherently political one. I recently introduced a Concurrent Resolution on the Budget aimed at addressing this double challenge head-on. First, it establishes moderate budgetary growth and sustained investments in capital expenditures associated with future productivity. Second, it incorporates a new structure for the budget process that more clearly identifies investments and enforces the budgetary goals we set for these investments in the future. In order to meet these objectives, the investment budget contains much-needed changes in entitlement programs, curbs the growth of other noninvestment discretionary programs, and postpones any tax cuts until the budget is balanced. Although Congress did not accept my proposal as an alternative to the recent agreement with the administration, it is my hope that Congress will consider this a first step in reversing the dramatic decline in investments that we have witnessed over the past decade see Figure 1. From data provided by the General Accounting Office; expenditures for the years are estimated. The case for investments rests on the long-recognized strong relationship between public investments and economic growth. Growth in GDP is due to growth in the size of the labor force, which is entirely dependent on demographics, or to growth in productivity, which is strongly influenced by investments in technology, capital infrastructure, and human resources. That is, productivity depends directly on the availability of private capital stock, workforce skill and training, and the rate at which technology is improved and applied in the workplace. Generally, there are three major categories of public spending that can be considered productivity-related investments: The investment budget is intended to specifically identify these as investments throughout the budget process and to set long-term spending targets for them that link them more directly to the desired economic growth. The investment budget assumes a direct and linear relationship in which increases in economic growth depend partially on the rate of technological growth.

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Chapter 2 : An Investment Budget | Issues in Science and Technology

THE ARMY BUDGET FOR FISCAL YEAR INTRODUCTION While the FY budget represents a milestone on the path to a smaller, post-Cold War defense force, the first two years of that transition (fiscal years and) were overshadowed and to some degree.

The conversion to GAAP, considered for years and authorized by legislation enacted in , was most recently addressed during the session of the General Assembly. Legislation that year removed the GAAP implementation requirement, and instituted a broad grant of authority allowing the comptroller to gradually phase-in use of GAAP. The reason cited in public hearing testimony and by legislators in House and Senate debate for delaying GAAP is the cost of implementing the conversion and its impact on the state budget. The act also required the comptroller to establish an opening combined balance sheet for all appropriated funds based on these accounting principles by July 1, By June 30, , the accrued and unpaid expenses and liabilities and other adjustments had to be aggregated and set up as a deferred charge on the combined balance sheet. The act required the deferred charge to be amortized in equal increments in each annual budget beginning in FY and for the next 14 fiscal years. The bill, passed unanimously in both chambers, was generally characterized as a good government proposal. PA postponed implementation of the accounting changes to FY and required the amortization to begin in FY At that time, OPM argued that Connecticut would be the only state to fully implemen t GAAP for all facets of budgeting, including entitlements, if it were to go ahead with the conversion. Michael Levin, vice president of the Connecticut Policy and Economic Council, also opposed the repeal. Members who had supported the concept earlier cited the cost of implementation in their statements supporting the postponement. The vote in the Senate was for postponement. Debate in the House reflected the same sentiment. The bill passed there The administration again proposed abandoning the conversion t o GAAP because of the costs involved. She stated that a GAAP-based budget would improve financial reporting and provide better information on which to base public policy. Wyman proposed to the committee a phased-in approach t o GAAP. The full cost of implementation for the. So if you were to fully implemen t GAAP or phase it in, ultimately you are. The bill passed during the House last days of the session. There was no other discussion House of Representatives Proc. The bill passed in the Senate on consent on June 4. No further action was taken on the bill. The bill proposed a conversion to GAAP accounting principles. The act was vetoed by the Governor on July 6, Previous law required the GASB to prescribe the use of generally accepted accounting principles. She testified that this would allow the state greater flexibility in implementing GAAP budgetary standards and would allow the comptroller and OPM to begin planning for the move toward GAAP accounting. Also testifying in support of the bill was Arthur J. Renner testified that the financial statements of the state should depict how well the business of government is managed. While GAAP is not perfect, it does serve a useful purpose. GAAP also provided users with the benefit of a uniform standard of measurement, according to Mr. There was no opposition expressed at the public hearing. The bill was debated on the House floor on May 24, The Appropriations Committee vice-chairperson Representative Heinrich introduced the bill as a measure to give the comptroller more flexibility in the preparation of state financial statements. The Senate debated the bill on June 6, She emphasized that the bill lowered the financial impact of GAAP, facilitating compliance with the original law. Several senators supported an amendment to the bill, which was intended to delay the implementation of GAAP principles for two years. The amendment was defeated The Senate passed the original bill by a vote of The act allows, rather than requires, the comptroller and presumably the OPM secretary to concurrently prepare conversion plans for implementing GAAP. If they decide to do so, they must prepare plans annually, rather than by February 1, , and submit them to the Appropriations Committee when the governor submits her biennial budget and budget status report to the General Assembly. By law, the governor must submit the budget document by the first session day after February 3rd in odd-numbered years and the status report by the opening day of session in even-numbered years. Legislative History HB was proposed by the comptroller to allow her office to implement aspects of GAAP accounting to more accurately match current year revenue with current year expenditures. Secretary

Genuario also testified in support of the bill. He supported the idea of phasing in GAAP over a number of years, since full implementation would take a considerable effort. He also pointed out particular costs associated with the conversion. Melancon testified that financial statements should be in full compliance with GAAP because individuals such as bond buyers need to know what accounting rules are utilized. The House passed the bill on May 2, by a vote of Representatives Delgobbo and Boucher also spoke in support of the bill. The bill was debated in the Senate on May 5, This debate focused on two issues: Each senator argued it was an unconstitutional act of the legislature. The Senate passed the bill

Chapter 3 : 5 Things Everyone Should Know about the State Budget

The United States federal budget comprises the spending and revenues of the U.S. federal government. The budget is the financial representation of the priorities of the government, reflecting historical debates and competing economic philosophies.

Overview[edit] CBO: Federal spending and revenue components for fiscal year Major expenditure categories are healthcare, Social Security, and defense; income and payroll taxes are the primary revenue sources. Many of the debates about the United States federal budget center on competing macroeconomic schools of thought. In general, Democrats favor the principles of Keynesian economics to encourage economic growth via a mixed economy of both private and public enterprise, and strong regulatory oversight. Conversely, Republicans generally support applying the principles of either laissez-faire or supply-side economics to grow the economy via small government, low taxes, limited regulation, and free enterprise. These debates also deal with questions of morality, income equality and intergenerational equity. For example, Congress adding to the debt today may or may not enhance the quality of life for future generations, who may also have to bear additional interest and taxation burdens. While Republicans argue conceptually for tax cuts for the wealthy and reductions in Medicare and Social Security, they are hesitant to actually vote to reduce the benefits from these popular programs. Democrats on the other hand argue conceptually for tax increases on the wealthy and a stronger social safety net. The so-called budgetary "grand bargain" of tax hikes on the rich and removal of some popular tax deductions in exchange for reductions to Medicare and Social Security spending is therefore elusive. President Donald Trump has proposed policies including significant tax cuts and increased spending on defense and infrastructure. Table compares US federal spending and revenue in vs. United States federal budget Before analyzing the budget debates, some background on the key terms used and sources of information may be helpful. The definitive analysis of the federal budget is performed by the Congressional Budget Office CBO , which is the non-partisan organization charged with evaluating the budgetary and economic impact of legislation for the U. The CBO provides reports on specific legislation, as well as overall analyses of the budget and economy. For example, the annual "CBO Budget and Economic Outlook" covers recent historical information as well as revenue, expense, deficit, and debt projections for a ten-year forecast period. It also includes economic projections, as budgetary results are related to economic results. The CBO provides a "current law baseline" which assumes current laws are continued into the future, as well as alternate scenarios assuming laws are changed. It also provides historical information in supplemental tables. Since the federal budget and economic variables are so large trillions of dollars , CBO also measures many key variables relative to the GDP , a measure of the size of the economy. CBO uses an array of graphics to help explain their analyses, several examples of which are included in this article. This increase was primarily due to the Great Recession , which significantly increased automatic stabilizer spending e. During , the U. Revenue then began to recover as the economy did, returning to the historical average of The budget deficit reached Over the longer-term, the U. Under current law, future deficits driven primarily by these programs are expected to drive larger amounts of debt and interest payments, particularly as interest rates return to more normal levels from the unusually low levels during the aftermath of the Great Recession. Without changes that increase revenues or reduce the rate of spending increases relative to GDP or both, U. CBO cause of change analysis[edit] Both economic conditions and policy decisions significantly worsened the debt outlook since , when large budget surpluses were forecast for the following decade by the Congressional Budget Office CBO. The answer is, three main things. And third was the Great Recession, which led both to a collapse in revenue and to a sharp rise in spending on unemployment insurance and other safety-net programs. At the same time, safety net expenditures including automatic stabilizers such as unemployment compensation, food stamps, and disability payments caused expenditures to rise considerably. This drove the budget deficit up even without any policy steps by President Obama, creating significant debt concerns. This resulted in a series of bruising debates with the Republican Congress, which attempted with much success to blame the President for the deficits caused primarily by the recession that began during the

Bush administration. Adjusting other assumptions in the CBO baseline could have raised that debt level even higher. These facts did not stop Republicans from blaming the President for the ensuing debts during his administration. In January , CBO forecast that the sum of the annual budget surplus or deficits from â€" the G. As discussed above, this was due to the Bush tax cuts , two wars, and two recessions not in the CBO forecast. This forecast assumed the Bush tax cuts would expire in This was due to the Great Recession being worse than anticipated, stimulus programs, and the extension of most of the Bush tax cuts relative to the CBO forecast. United States fiscal cliff U. Note the large impact on the deficit of extending the Bush tax cuts and postponing the impact of other tax increases. A major debate during the latter half of was whether or not to allow a series of scheduled tax cut expirations and spending cuts to take effect. The impact of these changes was referred to as the "fiscal cliff. For example, the Bush tax cuts of and initially extended by Obama from to were scheduled to expire at the end of Other deficit reducers per the CBO included: These and other current laws, if allowed to take effect, were expected to reduce the projected deficit from an estimated 4. The fiscal cliff was mostly avoided by the American Taxpayer Relief Act of , which included: Compared against a baseline where the Bush tax cuts were allowed to expire for all levels of income, it significantly increased future deficits. Compared against the prior year, it significantly reduced the deficit and avoided some future cost increases. On the other hand, a slumping economy recession works in the opposite direction, as lower economic activity and higher unemployment reduce tax revenues, and higher automatic stabilizer spending occurs. The effects of the Great Recession were discussed in the background section. So a key to understanding the connection between the economy and the budget is employment. This is one reason why politicians focus on job creation as a primary responsibility. John Maynard Keynes wrote in The only fiscal years since when the U. Economic stimulus increasing the deficit is done by lowering taxes or increasing spending, while the opposite is done for economic austerity. The magnitude of the jobs crisis is clearly illustrated by the jobs gap â€" currently around That is how many jobs the economy must add to return to its peak employment level before the â€"9 recession and to absorb the , people who enter the labor force each month. At the current pace of recovery, the gap will be not closed until or later. Sectoral financial balances Sectoral financial balances in U. By definition, the three balances must net to zero. Since , the U. Economist Martin Wolf explained in July that government fiscal balance is one of three major financial sectoral balances in the U. The sum of the surpluses or deficits across these three sectors must be zero by definition. Further, there is a private sector financial surplus due to household savings exceeding business investment. By definition, there must therefore exist a government budget deficit so all three net to zero. The government sector includes federal, state and local. No fiscal policy changes explain the collapse into massive fiscal deficit between and , because there was none of any importance. The collapse is explained by the massive shift of the private sector from financial deficit into surplus or, in other words, from boom to bust. The change is mainly due to the Tax Cuts and Jobs Act of This is the baseline prior to any changes by President Trump. It is the financial position he "inherits" from President Obama. Economic policy of Donald Trump Prior to his election, President Donald Trump proposed policies including significant income tax cuts and increased spending on defense and infrastructure. So this type of tax cut primarily benefits the wealthy. What deficit trajectory did President Trump "inherit"? CBO forecasted that the sum of the annual budget deficits i. These increases would primarily be driven by an aging population, which impacts the costs of Social Security and Medicare, along with interest on the debt. CBO baseline forecasts before and after major legislation is passed, to evaluate the effect of that legislation. Fiscal year FY ran from October 1, through September 30, It was the first fiscal year budgeted by President Trump. Tax receipts increased 0. Tax revenues typically rise in a growing economy; they grow more slowly under a CBO baseline with the tax cuts than without. The deficit was an estimated 3. This "current policy" forecast assumes the Trump tax cuts for individuals would be extended beyond their scheduled expiration date. National debt of the United States What is the appropriate measure of public debt? Debt held by the public: Obligations of government to holders of marketable government securities, such as Treasury bonds. Obligations of government to particular legal entities, such as the Social Security Trust Fund. Gross or national debt: The sum of debt held by the public plus the intra-governmental debt. Both the debt held by the public in dollars and as ratio relative to the size of the economy GDP are common measures. Debt held by the public rose rapidly from It publishes a monthly "Debt position and activity report" which includes the debt held by the public, the intra-governmental debt, and national debt "Total public debt outstanding". As of December 31, , these amounts were: Paul Krugman argued in May that the debt held by the public is the right measure to use, while Reinhart testified to the National Commission on Fiscal Responsibility and Reform that gross debt is the appropriate measure. Certain members of the Commission are focusing on gross debt. Such borrowing draws on private national saving and international saving, and therefore competes with investment in the nongovernmental sector for factories and equipment, research and development, housing, and so forth.

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Chapter 4 : Kansas Division of the Budget [WorldCat Identities]

December 9, Year in Review, Federal Budget and Government Shutdown. Lisa Mascaro talked about the government shutdown and the debate over the federal budget in , as well as the impact.

That it shall be the province and duty of said bureau and its director, under the direction of the Secretary of the Interior, to make diligent investigation of the methods of mining, especially in relation to the safety of miners, and the appliances best adapted to prevent accidents, the possible improvement of conditions under which mining operations are carried on, the treatment of ores and other mineral substances, the use of explosives and electricity, the prevention of accidents, and other inquiries and technologic investigations pertinent to said industries, and from time to time make such public reports of the work, investigations, and information obtained as the Secretary of said department may direct, with the recommendations of such bureau. Since its establishment by Congress in , the U. Research Programs of the U. The National Academies Press. These ranged from coal mining and utilization to the production of refractory and rare metals. In a number of instances bureau research led directly to the initiation of new industries that produced goods as diverse as reactor-grade zirconium, iron from taconite, and gold from ores long thought to be too poor in grade to be economic. Despite such successes, by the s the bureau had begun to lose ground to more specialized federal research organizations, especially those charged with advancing national priorities regarding defense, aerospace, and energy. Certainly, the bureau could not have undertaken all or even much of this work, but there were significant portions requiring new bureaucracies and facilities created in other cabinet departments that could have been performed competently in USBM laboratories. That this did not happen may have been due, in part, to the association of the bureau with an industryâ€"miningâ€"that had a worsening public image. Another reason, perhaps more valid, may be the historical placement of the bureau within the Department of the Interior DOI. Long a leading department in peacetime, DOI in successive cold war administrations lost ground, not only to other existing cabinet functions but also to new departments and independent agencies. Despite the negative trends affecting the bureau, Congress passed several bills in the s and s that should have had positive influences on its research mission. This latter piece of legislation is important, as it expanded the so-called mineral institute programs at eligible universities; established a mechanism to coordinate research in federal, state, and private laboratories; and created a Committee on Mining and Mineral Research reporting to the secretary of the Department of the Interior. The Committee on Mining and Mineral Research was also to recommend to the secretary an annual program to implement the national research plan. Although the mineral institutes and generic research centers established by this act and related legislation were of some benefit to the universities, the Committee on Mining and Mineral Research found itself in difficult circumstances from the start. For example, its government members rarely supported the concept of the committee, its co-chairman was an assistant secretary of DOI, and its recommendations failed to Page 7 Share Cite Suggested Citation: In response to budget cuts from DOI, the bureau usually omitted requests for appropriations to support the mineral institutes and generic centers as well, and the universities fell into the dubious habit of lobbying Congress to restore the funds. In this respect the bureau and the universities became competitors for parts of what was already a small and shrinking portion of the federal research pie. From its inception the Committee on Mining and Mineral Research was exempted from the requirement to hold open meetings, as mandated by section 10 of the Federal Advisory Committee Act. While the committee was never particularly secretive about its activities, the Competitiveness of the U. Minerals and Metals Industry report 1 contended that the exemption limited public participation and worked against public support for a coordinated federal-academic-private plan for mining and mineral research. It is not surprising that by the early s the committee was increasingly viewed as irrelevant, core congressional support for the mineral institutes had eroded, and the bureau itself had come to believe that, without proper funding and better integration with USBM research, the program should be abandoned. Any review of the historical context in which USBM operates would be incomplete without mention of the numerous external reviews the bureau and its research programs have undergone. The important distinctions that set the present NRC effort apart from previous studies are: The bureau has implemented all but one of the recommendations in this report; the last of these, an outside advisory committee reporting to the director of the bureau, has been approved and should be in place in early Page 8 Share Cite Suggested Citation: Less obvious but significant users include the Departments of Defense, Energy, Labor, and Agriculture; agencies such as the National Aeronautics and Space Administration and the Environmental Protection Agency EPA ; a number of state governments; and a variety of federal activities with interests in trade and foreign relations. Traditionally, most users of USBM research have had a nonspecific interest, using research results without having a role in the choice of topics and without paying a share of the costs. In other cases, industrial and government users have been able to influence the research directions being taken without paying any costs, and these users have sometimes come to expect pertinent responses from the bureau even though they have not financially supported the work. Where such work is parallel to identified bureau research missions, there is little harm done, but the bureau has been widely and frequently criticized for doing research too narrowly focused on the interests of a single industry segment, a single government entity, or even a single company. At the same time, the search for cost sharing has been conducted on a fairly broad front by most USBM research facilities. This is not to suggest that cost sharing in these mission areas will not be sought, but specific research directions may be less open to influence by users. It is no surprise that traditional mining companies have been slow to avail themselves of USBM research cost-sharing opportunities. What is surprising is that other government entities, state and federal, seldom pay for USBM research that they suggest and even specify. In some cases this is a recognized and desirable means of carrying out federal research missions, as exemplified by relationships such as that between the Mine Safety and Health Administration MSHA and USBM in the areas of occupational health and safety as established by the Federal Mine Safety and Health Act of Such arrangements allow the bureau to receive appropriate credit for its work at budget time. In other cases the bureau may be happy to receive partial contributions from governmental partners if the work being performed furthers USBM priorities and therefore might have been done even without partners. Certainly there are many similar instances involving industrial partners who leverage contributions to work that broadly conforms with bureau programs. It is not clear whether certain costs would be shared by sister agencies within the DOI. The associate director for research manages three major research programs: Other programs and support activities fall under other associate directors. Research administration is accomplished through division chiefs in Washington, one for each major program. They operate through nine center directors in the field with the assistance of staff in Washington. The present organization places four layers of management between an individual researcher and the bureau directorâ€"namely, Page 11 Share Cite Suggested Citation: To these should be added one of the three division chiefs and the Washington office staff engineers, who appear to largely control research priorities, project selection, and budgets. Yet in this role, headquartersâ€"in the eyes of many bureau researchersâ€"seems remote, arbitrary, noncommunicative, and possibly out of touch with the mainstreams of research. In practice, however, the miniproposals are handled somewhat differently at different centers, and in Washington they may be accepted, rejected, modified, or sometimes even allocated to different centers. Although modifications are not made unilaterally, researchers can and do feel excluded from the selection process. Here again, the existing system could be modified to help researchers understand it better. Well-defined priorities and goals, clearly communicated from headquarters and center directors, could help channel miniproposals into more fruitful areas. From the perspective of the individual researcher, there may be too many layers of management in the existing structure. Some researchers noted, however, that competency of research management is a more disturbing issue. A few researchers, in fact, argued that they should be allowed to continuously pursue their own particular specialties, relying on peer review and collegial discourse to link their work with the larger aims of the bureau.

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Chapter 5 : IMPLEMENTATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

In the meantime, Congress is debating the FY budget. Facing real uncertainties with respect to the Facing real uncertainties with respect to the nation's security policy and needs over the next few years, Congress should avoid making major changes or.

Overview[edit] CBO: Federal spending and revenue components for fiscal year Major expenditure categories are healthcare, Social Security, and defense; income and payroll taxes are the primary revenue sources. Since , the U. Deficits as a share of GDP are expected to rise as spending for Social Security, Medicare, and interest on the federal debt rise faster than revenue. CBO current law baseline as of April , showing forecast of deficit and debt by year. The fiscal year refers to the year in which it ends. However, Congress is the body required by law to pass appropriations annually and to submit funding bills passed by both houses to the President for signature. Congressional decisions are governed by rules and legislation regarding the federal budget process. Budget committees set spending limits for the House and Senate committees and for Appropriations subcommittees, which then approve individual appropriations bills to allocate funding to various federal programs. After Congress approves an appropriations bill, it is then sent to the President, who may either sign it into law or veto it. A vetoed bill is sent back to Congress, which can pass it into law with a two-thirds majority in each legislative chamber. Congress may also combine all or some appropriations bills into one omnibus reconciliation bill. In addition, the president may request and the Congress may pass supplemental appropriations bills or emergency supplemental appropriations bills. Several government agencies provide budget data and analysis. These agencies have reported that the federal government is facing many important long-run financing challenges, primarily driven by an aging population, rising interest payments, and spending for healthcare programs like Medicare and Medicaid. Other revenue types included excise, estate and gift taxes. FY revenues were Tax revenues averaged approximately The budget deficit was 3. Constitution Article I , section 9, clause 7 states that "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of Receipts and Expenditures of all public Money shall be published from time to time. Current law 31 U. Typically, presidents submit budgets on the first Monday in February. The federal budget is calculated largely on a cash basis. That is, revenues and outlays are recognized when transactions are made. Therefore, the full long-term costs of programs such as Medicare, Social Security, and the federal portion of Medicaid are not reflected in the federal budget. By contrast, many businesses and some other national governments have adopted forms of accrual accounting, which recognizes obligations and revenues when they are incurred. The costs of some federal credit and loan programs, according to provisions of the Federal Credit Reform Act of , are calculated on a net present value basis. Typically, separate Congressional committees have jurisdiction over authorization and appropriations. The House and Senate Appropriations Committees currently have 12 subcommittees, which are responsible for drafting the 12 regular appropriations bills that determine amounts of discretionary spending for various federal programs. Appropriations bills must pass both the House and Senate and then be signed by the president in order to give federal agencies the legal budget authority to spend. Congress may also pass "special" or "emergency" appropriations. Spending that is deemed an "emergency" is exempt from certain Congressional budget enforcement rules. Funds for disaster relief have sometimes come from supplemental appropriations, such as after Hurricane Katrina. In other cases, funds included in emergency supplemental appropriations bills support activities not obviously related to actual emergencies, such as parts of the Census of Population and Housing. Special appropriations have been used to fund most of the costs of war and occupation in Iraq and Afghanistan so far. Budget authority versus outlays[edit] The amount of budget authority and outlays for a fiscal year usually differ because the government can incur obligations for future years. This means that budget authority from a previous fiscal year can, in many cases, be used for expenditure of funds in future fiscal years; for example, a multi-year contract. Budget authority is the legal authority provided by federal law to enter into financial obligations that will result in immediate or future outlays involving federal government funds. Outlays refer to the issuance of checks, disbursement of cash or electronic transfer of funds made to liquidate a federal obligation and is usually synonymous with "expenditure" or "spending". The term "appropriations" refers to budget authority to incur obligations and to make payments from the Treasury for specified purposes. Some military and some housing programs have multi-year appropriations, in which their budget authority is specified for several coming fiscal years. In the congressional budgeting process, an "authorization" technically the " authorization act " provides the legal authority for the executive branch to act, establishes an account which can receive money to implement the action, and sets a limit on how much money may be expended. However, this account remains empty until Congress approves an "appropriation", which requires the U. Treasury to provide funds up to the limit provided for in the authorization. Congress is not required to appropriate as much money as is authorized. Known as " authorization bills ", such legislation usually provides for a multi-year authorization and appropriation. Authorization bills are particularly useful when funding entitlement programs benefits which federal law says an individual has a right to, regardless if any money is appropriated , where estimating the amount of funds to be spent is difficult. Authorization bills are also useful when giving a federal agency the right to borrow money, sign contracts, or provide loan guarantees. In , two-thirds of all federal spending came through authorization bills. A "backdoor appropriation" occurs when authorizing legislation requires an agency to spend a specific amount of money on a specific project within a specific period of time. Because the agency would be violating the law if it did not do so, it is required to spend the moneyâ€”even if no appropriation has been made. Backdoor appropriations are particularly vexsome because removing the appropriation requires amending federal law, which is often politically impossible to do within a short period of time. Backdoor authorizations and appropriations are sources of significant friction in Congress. Authorization and appropriations committees jealously guard their legislative rights, and the congressional budgeting process can break down when committees overstep their boundaries and are retaliated against. Government, usually in the December following the close of the federal fiscal year, which occurs September The Treasury Department also produces a Combined Statement of Receipts, Outlays, and Balances each December for the preceding fiscal year, which provides detailed data on federal financial activities. This document is composed of 17 sections, each of which has one or more tables. Each section covers a common theme. Section 1, for example, provides an overview of the budget and off-budget totals; Section 2 provides tables on receipts by source; and Section 3 shows outlays by function. When a section contains several tables, the general rule is to start with tables showing the broadest overview data and then work down to more detailed tables. The purpose of these tables is to present a broad range of historical budgetary data in one convenient reference source and to provide relevant comparisons likely to be most useful. The most common comparisons are in terms of proportions e. The Outlook included projections for debt through and beyond. CBO outlined several scenarios that result in a range of outcomes. The "Extended Baseline" scenario and "Extended Alternative Fiscal" scenario both result in a much higher level of debt relative to the size of the economy GDP as the country ages and healthcare costs rise faster than the rate of economic growth. CBO also identified scenarios involving significant austerity measures, which maintain or reduce the debt relative to GDP over time. Over the to period, federal spending averaged Payroll taxes, paid by all wage earners, have increased as a share of total federal tax revenues, while corporate taxes have fallen. Income taxes have moved in a range, with Presidents Reagan and G. Bush lowering income tax rates, and Clinton and Obama raising them for the top incomes. Recessions typically reduce government tax collections as economic activity slows. The top marginal tax rate has declined considerably since The Bush tax cuts of and , extended by President Obama in , lowered the top rate from For the Social Security portion, employers and employees each pay 6. It is a flat tax up to the cap, but regressive overall as it is not applied to higher incomes. The Medicare portion is also paid by employer and employee each at 1. Starting in , an additional 0. Like conventional spending, they contribute to the federal budget deficit. They also influence choices about working, saving, and investing, and affect the distribution of income. Since eliminating a tax expenditure changes economic behavior, the amount of additional revenue that would be generated is somewhat less than the estimated size of the tax expenditure. Major expenditure categories[edit] CBO projections of U. Over time, there will be fewer workers per retiree. CBO forecast of Social Security tax revenues and outlays from FY Estimated Federal Spending per Budget

Interest to GDP, a measure of debt burden, was very low in but is projected to rise with both interest rates and debt levels over the period. Major categories of FY spending included: Around two thirds of federal spending is for "mandatory" programs. CBO projects that mandatory program spending and interest costs will rise relative to GDP over the â€" period, while defense and other discretionary spending will decline relative to GDP. Some programs, such as Food Stamps , are appropriated entitlements. Some mandatory spending, such as Congressional salaries, is not part of any entitlement program. Mandatory spending accounted for In , these were This is due in part to demographic trends, as the number of workers continues declining relative to those receiving benefits. For example, the number of workers per retiree was 5. This unfavorable combination of demographics and per-capita rate increases is expected to drive both Social Security and Medicare into large deficits during the 21st century. Unless these long-term fiscal imbalances are addressed by reforms to these programs, raising taxes or drastic cuts in discretionary programs, the federal government will at some point be unable to pay its obligations without significant risk to the value of the dollar inflation. It consists of four distinct parts which are funded differently: Hospital Insurance, mainly funded by a dedicated payroll tax of 2. The number of persons enrolled in Medicare is expected to increase from 47 million in to 80 million by

DOWNLOAD PDF THE FY1995 BUDGET DEBATE

Chapter 6 : Political debates about the United States federal budget - Wikipedia

Members debated the almost 2, page budget reconciliation bill which is designed to balance the budget within seven years. This portion included comments on funding for agriculture, Medicare.

For example, spending for Medical Assistance in the general fund for varied greatly from and Several economic factors and federal policy go a long way in explaining this dramatic increase. The Great Recession of the late s left many uninsured. The Recession was coupled with an increase in state aid under the American Recovery and Reinvestment Act that led to an immediate dip in state spending on medical assistance during the early days of the Recession. As these aids dissipated, however, the state increasingly bore the burden for the increased Medicaid enrollment during the recession. Another important factor that cannot be ignored is that, while rates of medical cost growth have slowed, medical costs nonetheless continue to rise on a year-by-year basis. Heated rhetoric aside, state government spending on school voucher programs represent a tiny fraction of overall spending. The constant complaints of critics that school choice is destroying public education in Wisconsin are unfounded when one considers the facts. As a share of the general fund, it is relatively flat, and K spending today represents approximately the same share of the budget as in A few more dollars allotted to eligible families who would like more educational choice would not even chip the paint on the total spending for public schools. State Budgets always require difficult decisions and trade-offs. It is important to remember that state budgets are finite pots of money. The state Constitution prohibits deficit spending. A consequence of this reality is that increased spending on Medical Assistance has decreased the pot of money available to fund other programs, and increased the tug-of-war for resources among interest groups. Sparsity aid would apply to school districts that have to 1, pupils and a population density fewer than 10 people per square mile. Overall, the budget debate will not be without surprises, changes, and adjustments to existing state appropriations. Governor Walker recently floated the idea of using some of the general fund for transportation purposes, as an alternative to raising the gas tax. This adds to the dilemma of legislators during budget time. What should the state spend its money on? As Medical Assistance trends upwards, does the State have to cut spending on other programs? Or will higher revenue projections balance priorities?

Chapter 7 : Congressional Digest Â» The Medicare Debates of , , and

THE ARMY BUDGET FOR FISCAL YEAR INTRODUCTION budget debates. a year through FY This was the basis for the FY defense budget enacted by.

Chapter 8 : Budget Reconciliation Debate, Oct 26 | Video | calendrierdelascience.com

Fiscal year (FY) ran from October 1, through September 30, It was the first fiscal year budgeted by President Trump. The Treasury department reported on October 15, that the budget deficit rose from $ billion in FY to $ billion in FY, an increase of $ billion or %.

Chapter 9 : Budget Debate, Dec 18 | Video | calendrierdelascience.com

The federal budget should put special emphasis on spending that contributes to the long-term strength of the nation. Budget proposals in the House of Representatives for FY served as the shadow of the hangman's noose in capturing the attention of the science community.