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INFORMED BUDGETEER

VIEWES AND ESTIMATES

Committee on Agriculture, Nutrition, and Forestry

Chairman Cochran and Ranking Member Biden wrote a joint letter highlighting the Ag Committee's concerns for FY 2004.

The Committee is supportive of the enactment of the farm bill and argues that changing it now would only "impair its functioning and slow the implementation process" which causes more harm than good to farmers and ranchers. CBO estimates the cost for FSRIA's farm support program will be \$6.2 billion less in FY 2003 and \$2.8 billion less in FY 2004 than previously projected.

The Committee requests an unspecified additional amount for weather-related disaster assistance and child nutrition programs..

Under discretionary spending, the Committee asks that the Budget Committee keep in mind rural economic development, agricultural research funding, and food supply safety.

Committee on Armed Services

Writing jointly, Chairman Warner and Ranking Member Levin strongly support the President's FY 2004 request of \$379.9 billion for the Department of Defense. They note: "Our Armed Forces are engaged around the globe in the on-going war on terrorism; continue to prepare for other possible conflicts, including a conflict with Iraq if diplomacy fails; and are undergoing a transformation of our military forces, infrastructure, and equipment to deal with future threats."

While they are supportive of the request, they do have some reservations due to the "ongoing global war on terrorism, the forward deployment of forces into the Persian Gulf region in support of diplomacy, or the possible conflict with Iraq should diplomacy fail." They urge Senate colleagues to show support for our military by considering any supplemental appropriations that are expected from the President to fund such military operations.

Committee on Energy and Natural Resources

Chairman Domenici and Ranking Member Bingaman outline the items in the President's 2004 request that will have a significant budgetary impact under the Energy Committee's jurisdiction.

The President has once again asked Congress to pass comprehensive energy legislation that would reduce our dependence on foreign oil and increase domestic energy production. It would also increase energy efficiency along with research and development programs.

The Yucca Mountain site for the development of a nuclear waste repository was recommended by the President and passed by Congress last year. The President's 2004 request for this is \$591 million. The Committee also believes that placing emphasis on "improving the environmental management programs" of the Department of Energy is vital to include in the budget as well.

The President has requested \$2.3 billion for the National Fire Plan. The Committee requests a funding level over the President's request to address the backlog in burned area restoration caused by last year's fire season.

The Committee will also monitor water availability in the West due to the current drought conditions and consider legislation to address water and environmental issues in western states.

Committee on Environment and Public Works

Chairman Inhofe and Ranking Member Jeffords jointly write their priorities and concerns from the President's requests for 2004.

The Committee strongly supports additional funding above the President's FY 2004 request of \$29.3 billion--a \$2.5 billion cut from FY 2003--for the Federal-aid Highways program to improve our nation's highway system. This year the Committee plans to reauthorize the Transportation Equity Act for the 21st Century (TEA-21). The Committee also would like to include budgetary "firewalls" to ensure the money from the Highway trust fund return to the improvement of the highway system.

With the overall \$500 million decrease in the 2004 funding request for EPA, the Committee's main concerns are for the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). They would like to see increased funding for these state revolving loan funds. The Committee is pleased with the increase of \$121 million for the Superfund and the \$210 million for the brownfields program over the 2003 levels.

The Committee is pleased with the inclusion of \$3.5 billion for the first responders preparedness grants program and the \$500 million for infrastructure security in the President's request for the newly formed DHS. They are concerned with the elimination of funds for the Hazard Mitigation Program. On the other hand, they believe the inclusion of \$30 million for the planning of the headquarters is "premature," and should remain under the jurisdiction of the Public Buildings Service of the General Services Administration.

Additionally, the Committee expresses concerns for the decrease in funding in the President's request for the Army Corps of Engineers and the Appalachian Regional Commission (ARC), and the elimination of funds for new courthouse construction.

Committee on Finance

In a joint letter Chairman Grassley and Ranking Member Baucus recommend that the budget resolution contain reserve funds for certain items such as the Highway Trust Fund, economic recovery, and the Airport and Airway Trust Fund among others. They also address the budget points of order that have expired and recommend they be extended in the budget resolution.

Medicare improvement with the inclusion of prescription drug access remains a legislative priority. However, the Committee remains concerned about the long-term financial stability of the program. They do not want the physician payment language in the Omnibus, which is estimated by CBO at \$54 billion over 10 years, to affect the prescription drug allocation. The Committee requests increases for MedPAC and CMS for staffing resources.

They also argue that reforms should be passed for Medicaid, unspent S-CHIP funds should be made available to states, and that a reserve fund be included for the Family Opportunity Act.

They plan to reauthorize TANF this year and oppose any reduction in funding to what they see as a highly successful program.

The Committee supports the President's request of funding for the Social Security administrative costs over the next five years. The Committee also supports the President's proposal of adjusting budgetary caps to include special funds such as program integrity activities of the Social Security Administration.

Committee on Foreign Relations

The Committee on Foreign Relations has nearly full jurisdiction over Function 150--International Affairs. In a joint letter Chairman Lugar and Ranking Member Biden state that the President's 2004 request of \$28.6 billion is insufficient to "protect U.S. national interests and address the foreign policy challenges facing America today," and

therefore, request an additional \$2.075 billion. This will be “essential to our anti-terrorism efforts in the long-term”.

They are supportive of the President’s funding for the Capital Investment Fund of the U.S. Agency for International Development (USAID), the Peace Corps, the Heavily Indebted Poor Country (HIPC) initiative, and the Millennium Challenge Account.

Committee on Health, Education, Labor, and Pensions

Chairman Gregg sets forth the majority’s views and estimates for programs under the HELP Committee’s jurisdiction and pledges the majority’s commitment in reducing any redundancy in programs. Some of the major issues that will have a budgetary impact are the following:

Bioterrorism: The Chairman strongly supports the President’s proposal of BioShield that enacts countermeasures to a biological, chemical, nuclear, or radiological attack.

Affordable Health Insurance: The Chairman recommends the budget does not include allowances for benefit mandates that would exacerbate the problem of affordability and the uninsured. Instead, access to private health insurance should be expanded and would need \$100 billion for the President’s tax credit proposal which would benefit the largest segment of uninsured and include policies to strengthen employer-based health benefits.

Medicare: The Chairman states the Medicare improvement is a must and that a prescription drug program be included.

NIH: The NIH has just completed a doubling in FY03, so the Chairman feels that it has adequate resources that Congress should oversee.

Global AIDS/HIV: Chairman Gregg states that the USAID’s efforts have been ineffective and that funds should be channeled through bilateral assistance instead of multilateral organizations. While much of the assistance is under the jurisdiction of the Department of State, the Department of Health and Human Services plays a vital role in the treatment of AIDS as seen in domestic programs.

The Chairman commends the President for the priority he places on education which is evident in his 2004 request, which includes a generous request of \$12.3 billion for the No Child Left Behind Act (NCLBA). The Committee also plans to reauthorize IDEA and the Higher Education Act this year.

The Chairman suggests a \$2 billion allocation in addition to advanced FY 2005 appropriations for the Low Income Home Energy Assistance Program (LIHEAP).

In a separate letter Ranking Member Kennedy calls the President’s budget request for Education “nominal,” and the President’s request for bioterrorism a failure “to provide adequate resources,” so he requests increased funding for many initiatives. A sample of his recommendations are as follows:

Medicare Prescription Drug Benefit	\$700 billion/10 years
TANF	\$19.14 billion/5 years
Unemployment Insurance	\$19 billion
IDEA	\$2.4 billion increase
Head Start	\$1 billion increase

Select Committee on Intelligence

Due to the classified nature of the content within its jurisdiction, the Committee respectfully declines to submit a Views & Estimates letter on intelligence spending for FY2004 in order not to “lead to the

compromise of national security information”. The Committee has programs within the Departments of Defense, State, Treasury, Energy, Justice, Transportation, and Homeland Security.

Committee on the Judiciary

Ranking Member Leahy responded with the minority views of the Judiciary Committee. He supports the President’s funding for the war on terror, but believes that there should be increased funding to fight domestic terrorism. Some of the programs for which he recommends an increase in funding are the Community Oriented Policing Service (COPS) Program, the Bulletproof Vest Partnership (BVP) Grant, Public Safety Officers Program (PSOB), border security with the USA PATRIOT Act, and the AMBER alert system which helps find missing children. The Crime Identification Technology Act (CITA), which he coauthored, has been eliminated from the President’s request altogether. He would like to see full funding for this at \$69 million.

The majority did not submit its views.

Committee on Small Business & Entrepreneurship

The letters sent by the Small Business Committee only address proposed changes to discretionary programs funded by the Appropriations Committee. Chair Snowe’s letter seeks an increase for SBA’s 7(a) Guaranteed Loan Program of \$17 million over the President’s proposed request. The Chair states that this increase would help support the small business loan program that is estimated to reach at least \$11 billion. She also raises concerns for the Small Business Development Center (SBDC) Program, which would receive \$88 million in the President’s budget. She requests an additional \$105 million due to the cuts in funding to 24 state SBDC programs following the 2000 Census.

Writing in a separate letter, Ranking Member Kerry agrees with the Chair on increasing the funding for the 7(a) Guaranteed Loan Program, but would like see the increase at \$32 million. On the other hand, the minority asks for \$37 million more than the President’s request for the SBDC Program, \$68 million less than the majority requests. Ranking Member Kerry opposes combining the SBA 504 Loan Program with the 7(a) program and also opposes the Administration’s request of \$20 million for the Salaries and Expenses Account of the SBA.

Committee on Veterans’ Affairs

Writing jointly, Chairman Specter and Ranking Member Graham request an additional \$1.02 billion over the President’s request. They would like to see an additional \$831 million above the \$28.37 billion for medical programs and a \$183 million increase (\$53 million in discretionary and the balance in mandatory) over the President’s request for VA benefit programs. They assess that the discretionary funding increase would assist with the burial program account used to repair national cemeteries and to “maintain FTEE (full-time equivalent employees) levels for compensation and pension program administration”. The increase in mandatory spending would raise education benefits provided to dependents of deceased and severely injured veterans.

EDITOR’S NOTE

Views and Estimates from the Committee on Banking, Housing and Urban Affairs and the Committee on Government Affairs may be reviewed in the March 4 edition of the Budget Bulletin.

Committees not submitting Views and Estimates letters are as follows: Appropriations, Commerce, Indian Affairs and Rules.