

Congressional Budget Process

Plus Overview, History & Landscape

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Retired, Budget Director
Department of the Treasury

Focus of this Session

- *Snapshot on Federal Funding & Long-Term Landscape*
- *The Congressional Budget Process*
 - ❖ *History*
 - ❖ *How it works*
 - ❖ *Budget Resolution & Reconciliation*
 - ❖ *Calendar*
 - ❖ *Congressional Decision-making Process*
 - ❖ *Little Bit about Appropriations*
 - ❖ *Little Bill about Earmarks*



Background to Take Home with You

Some Facts on the Federal Budget



2014 Federal Budget totals \$3.7 Trillion

Where Does It Come From?

	<u>Today</u>	<u>Sept '10</u>	<u>Mid '08</u>
■ Taxes on Citizens' Cash Flow (income & other taxes)	38.0%	26.2%	41.4%
■ Taxes on Citizens' Payrolls (Social Sec. & Medicare taxes)	28.0%	25.0%	30.5%
■ Taxes on Business Oprs. (profits, excise, customs, other taxes)	16.3%	11.4%	15.0%
■ Borrowing (\$649 Billion)	17.7%	37.4%	13.0%
2013 Deficit (\$680 billion)			
2012 Deficit (\$1.1 trillion)			
2011 Deficit (\$1.3 trillion)			
2010 Deficit (\$1.6 trillion)			



How is \$3.7 Trillion Distributed?

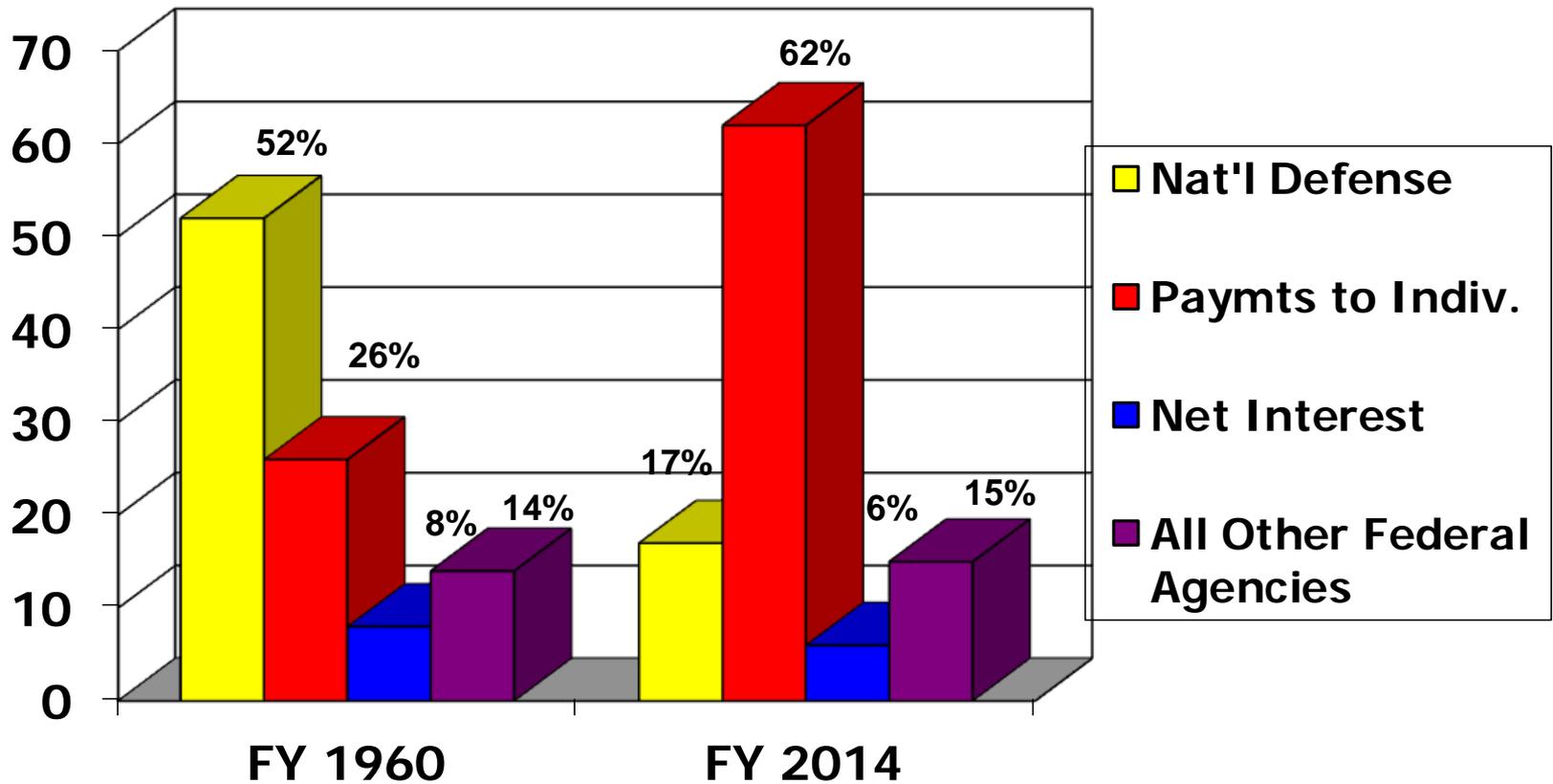
- Entitlements/Mandatory

❖ Social Security	\$ 852
❖ Medicare/Medicaid Entitlements, Welfare, Veteran's, Benefits. . .	1,401
❖ NET Interest on Public Debt . . .	223

■ Defense	612
■ Other Gov't Agencies	562
	<hr/>
	\$ 3,651

Federal Budget Shares (1960-2014)

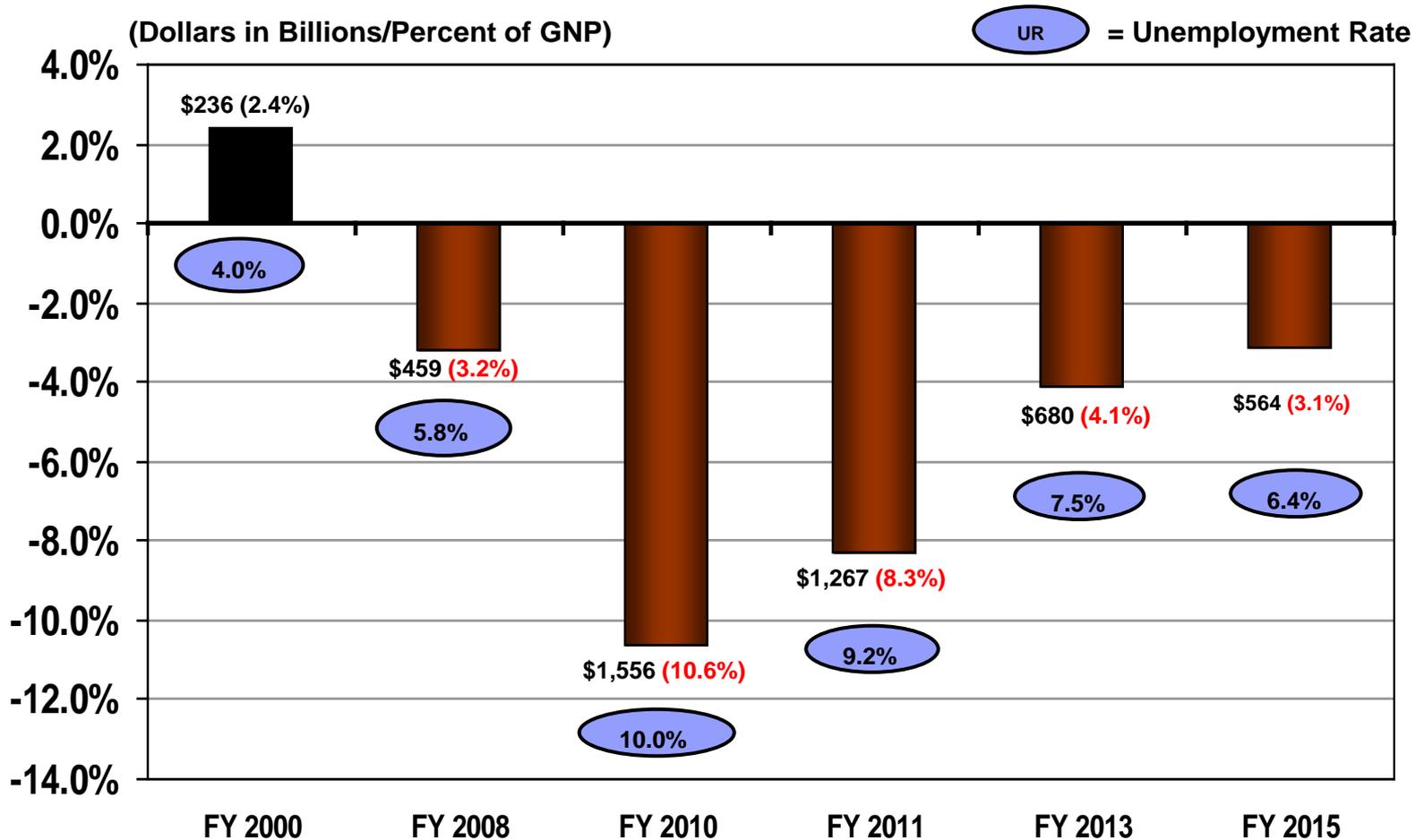
(% of Total Government Spending)



Source: OMB Historical Tables

FYI: '14 Budget lower than 2010 Budget (\$3.721 Trillion)

Federal Budget Surplus/Deficits



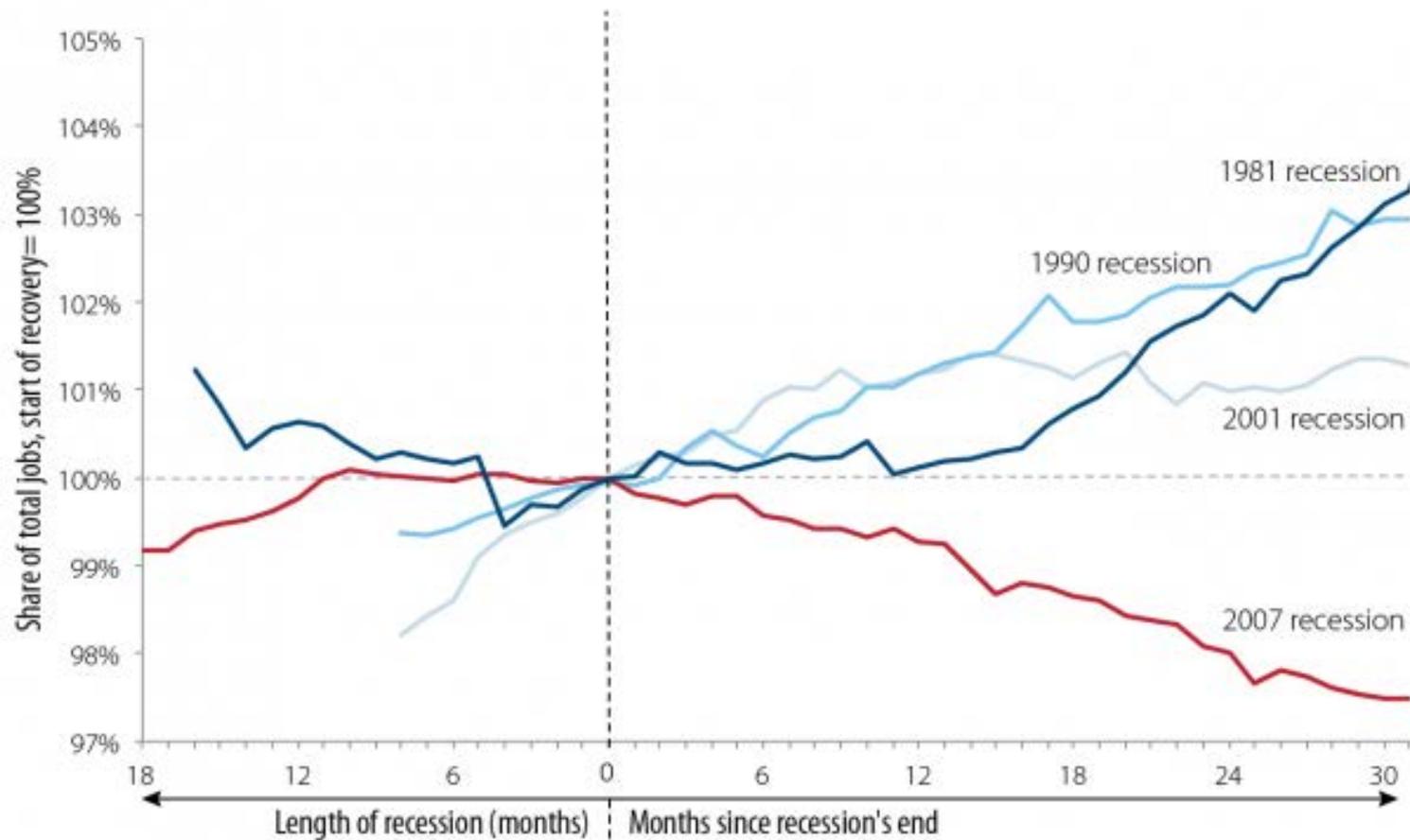
SOURCE: Represents unified federal deficit, GDP projections, and unemployment levels reflected in the President's FY 2015 Budget Request, March 2014, Tables S-1 and S-12 of the Summary Tables

How Fast Can a Surplus Disappear?

A Look at How Fast a Surplus Can Disappear

<i>(\$ in Billions)</i>	2002	2003	2002-11
Jan '01 Est.	+ 313	+ 163	+5,610
<i>Tax Cut 2001</i>	- 42	- 99	- 1,656
<i>Econ Slowdown</i>	- 321	- 306	- 2,576
<i>Other Spending</i>	- 108	- 153	- 1,357
Jan '03 Est	- 158	- 395	+ 20

Change in public-sector employment since the start of last four recoveries



Notes: Public data exclude temporary Census workers. The line for each recession begins at the official start of the recession, so the length of the line to the left of zero indicates the length of each recession.

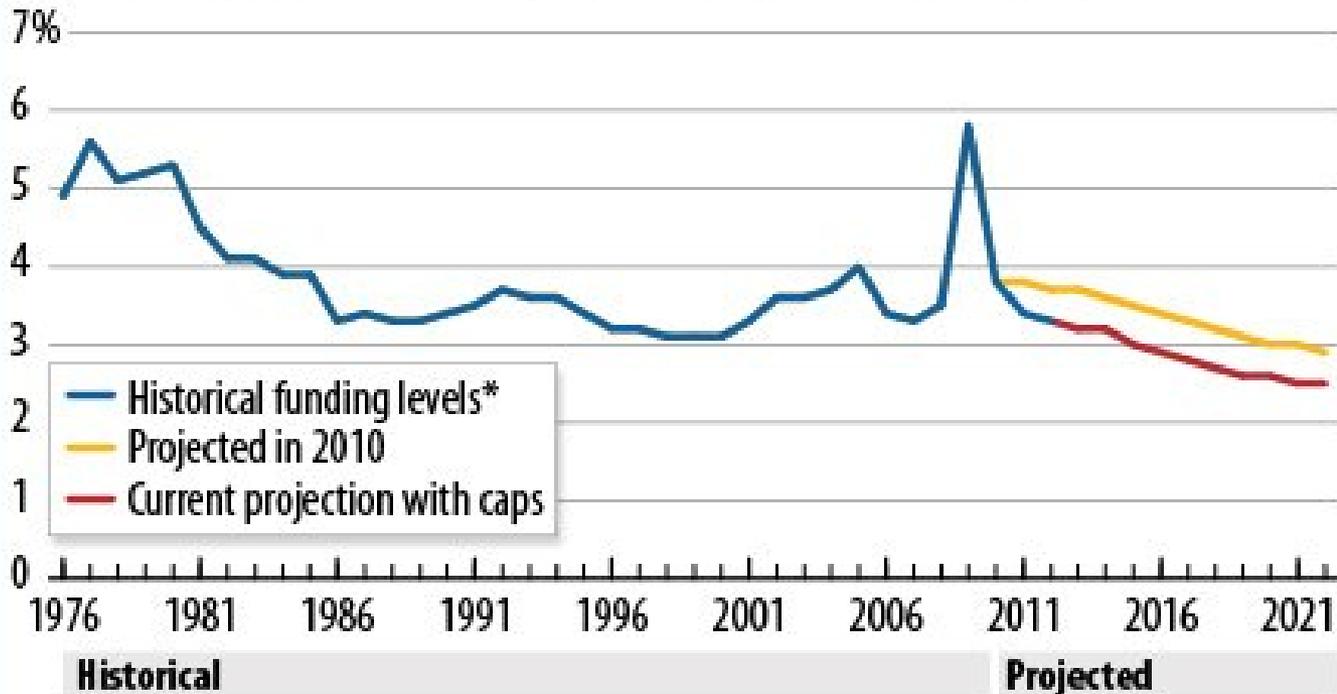
Source: Authors' analysis of Bureau of Labor Statistics Current Employment Statistics public data series



Figure 1

Non-Defense Discretionary Funding Projected to Fall to Historically Low Levels

Funding for discretionary programs other than defense, as a percent of GDP



*Historical funding levels are from OMB but adjusted to eliminate effects of timing shifts and other budget anomalies.

Note: The funding spike in 2009 reflects the discretionary portion of the Recovery Act, which constituted a one-time appropriation. The smaller spike in 2005 reflects disaster relief after Hurricane Katrina.

Source: Center on Budget and Policy Priorities based on Office of Management and Budget and Congressional Budget Office data.

Center on Budget and Policy Priorities | cbpp.org

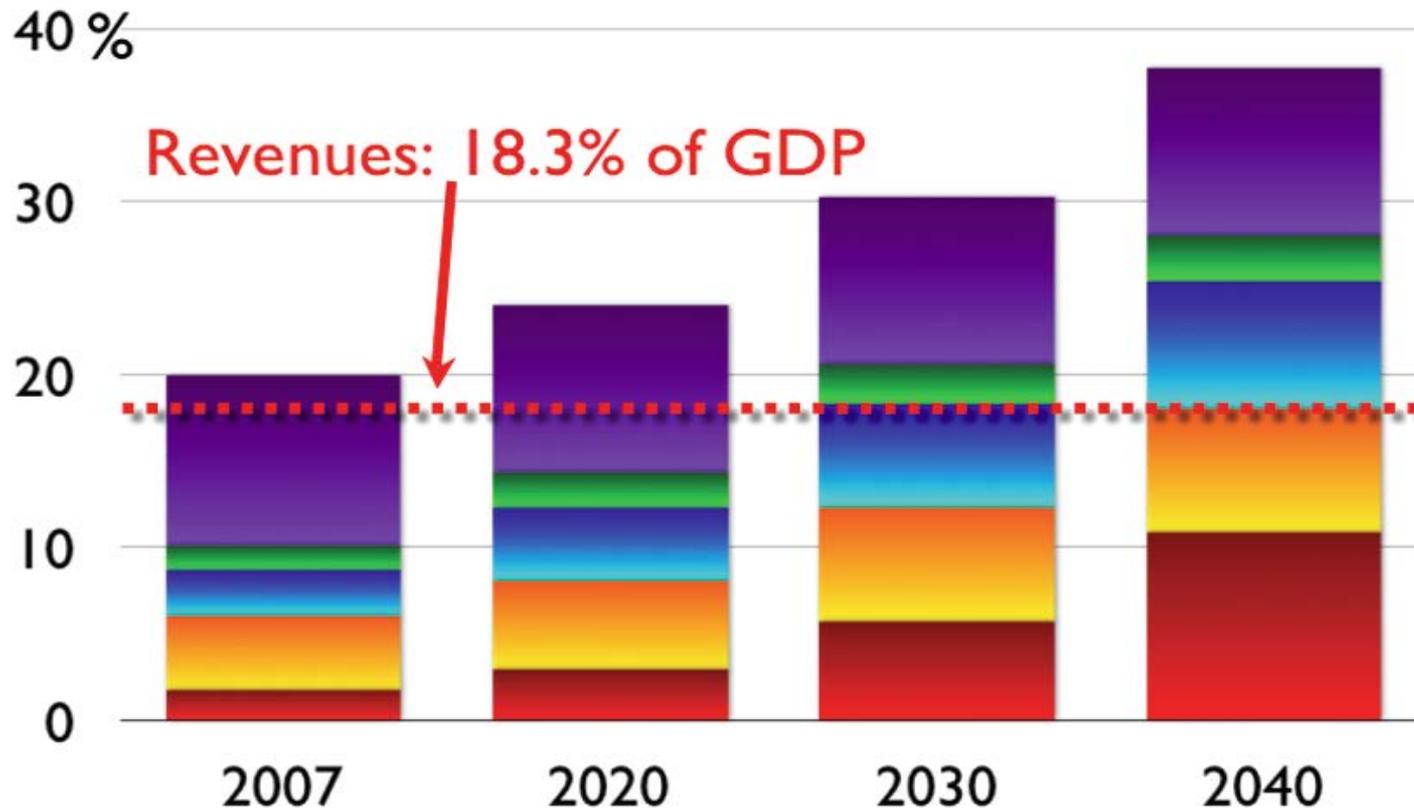


**“THE FUTURE JUST
AIN’T WHAT IT USED
TO BE!”**

—Great American Philosopher,
Yogi Berra

Federal Profile Over Time

Net Interest Social Security Medicare Medicaid All Other



SOURCE: U.S. Government Accountability Office alternative simulation with economic feedback (January 2008 Update).

Some Budget History

Formulation and Control of the U.S. Budget

- 1) U.S. Constitution provides checks and balances to control of spending: *The President is Commander-in-Chief, but only Congress can appropriate funding.*
- 2) President sets total, but the Secretaries of Departments make most major decisions for annual request
- 3) The Office of Management and Budget (OMB) allocates Congressional appropriations to government departments, generally, for each 3-month period, although some agencies get longer funding time periods.
- 4) Control of expenditures with each of the Departments rests primarily with its staffs.
- 5) Independent accounting and auditing is in place for use of appropriated funding.
- 6) Oversight committees in Congress also closely monitor agency's execution of budgets.

Evolution of Federal Budget Management

- **Legislative Dominance (1789 - 1921)**
- **Presidential Budgeting (1921 - 1974)**
- **Shared – Congress/Presidential Leadership (1974 - Today) – *Varies w/ Alternative Power Settings***

Federal Budgeting Gets its Start w/ New Nation

□ 1789 - 1921: *Legislative Dominance*

- ❖ *Constitution gives Congress broad powers to tax & spend.*
- ❖ *Does not expressly provide any role for President in financial matters or federal budget process.*
- ❖ *All power rested with House Ways & Means & Senate Finance*
- ❖ *No Appropriations Committees until 1865-67*
- ❖ *Concept of budgeting imported from Europe, not independently derived.*

The Early Days . . .

□ Before 1870, no organized budget process

- ❖ *Agencies could write contracts and obligate gov't to payments not approved by Congress*
- ❖ *Legally, contracts were binding, but, constitutionally, no actual cash payments could be made w/o appropriations from Congress.*

□ Anti-Deficiency Act in 1870

- ❖ *No obligations in excess of Appropriations*
- ❖ **Practical Effect:** *Required Agencies, for the first time, to submit budgets to Congress for annual approval*
- ❖ *Budget still no major Presidential involvement*

The Real Birth of Federal Budget Process

□ 1913 Taft Commission . . .

❖ **Commission Noted:**

- *Agencies were submitting budgets directly to Congress (**most wish it were the same today**)*
- *Met basic requirements, but with little information included*
- *Failed to reflect full cost of long-term plans*
- *Led to conflicts between President/Congress*

❖ **In 1921:** Congress pushes through wide range of Wilson legislation (from Taft Commission) greatly expanding Government

- *Wilson's success broadens federal role and sets new standard for Presidential influence on Congress.*

What Did the 1921 Legislation Do?

□ 1921 -- Passage of Budget & Accounting Act

- ❖ *President becomes an **Agent** in Congressional budget process
[Creates OMB (BoB) & GAO]*
- ❖ *Congress coordinates revenues & spending decisions with overall recommendations of President.*
- ❖ *Agencies barred from submitting budgets directly to Congress
[President & budget aides decide how much to request]*
- ❖ *Spending decisions in Congress returned to Appropriations Committees (**Removed, 1897-1921**)*
- ❖ *Congress adds teeth to the accountability of Gov't operations*
- ❖ *Legislation puts in place operational guidelines for expenditure and reporting of government operations*

Evolution of Federal Budget Management

- 1921 to Today: *Establishing the “Tool Kit”*
- 1974-1985: *Process Management [Still the Framework for Congressional Process]*
- 1985-1990: *Deficit Management*
- 1991-Present: *Spending Management (plus “On-Budget” policy controls)*

Up to 1974: *ONE LAW . . . Since then -- Many*

New Legislation & Mandates

□ Legislative Changes:

- ❖ [1974] **CBA:** Congressional Budget Act (*Deferral/Rescissions*)
- ❖ [1988] **FMFIA:** Federal Management Financial Integrity Act
- ❖ [1990] **CFO Act I:** Chief Financial Officers Act
- ❖ [1993] **GPRA:** Gov't Performance & Results (*Results Act*)
- ❖ [1994] **GMRA:** Gov't Management & Reform Act
- ❖ [1996] **FFMA I:** Federal Financial Management Act
- ❖ [1996] **Debt Collection:** Federal Debt Collection Act
- ❖ [1996] **ITRMA:** Information Tech. Reform Management (*Clinger Cohen*)
- ❖ [1997] **FASA:** Federal Acquisition Streamlining Act
- ❖ [1998] **FFMA II:** Federal Financial Management Act

New Legislation & Mandates [Con't]

□ Legislative Changes:

- ❖ [1998] **GPEA:** Gov't Paperwork Elimination Act
- ❖ [2002] **ATDA:** Accountability of Tax Dollars Act
- ❖ [2004] **CFO Act II:** DHS Financial Accountability Act
- ❖ [2006] **FFARA:** Federal Funding Accountability & Transparency Act
- ❖ [2010] **GPRA Modernization Act:** *GPRA II*

□ Recent Executive Mandates:

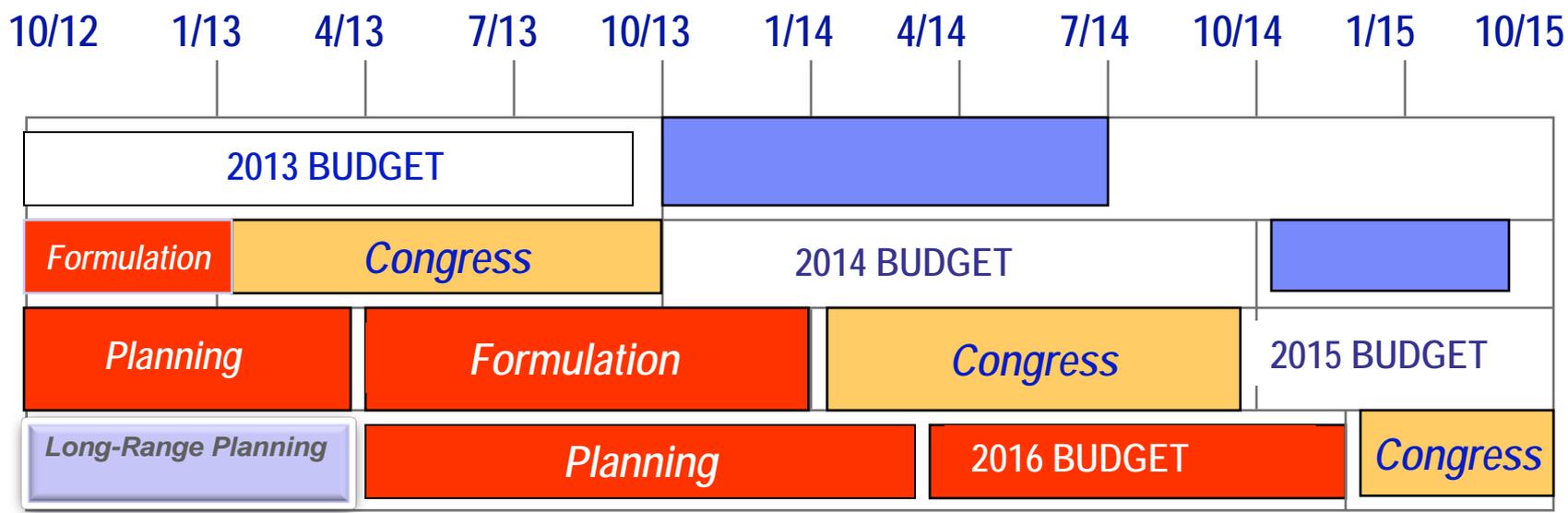
- ❖ [1993-2000] **Reinvention of Government**
- ❖ [2001-2005] **President's Management Agenda**
- ❖ [2002-2008] **OMB PART:** Program Assessment Review Tool
- ❖ [2005] **Fin Mgmt:** New OMB A-123/130



Facebook.com/Run4Beer

**What is the Process
and
How Does it Work?**

Budget Process Timeline



- BUDGET FORMULATION**
- Agency Budgets Prepared
 - Dept. and OMB Review & Decide



- U.S. CONGRESSIONAL ACTION**
- President's Budget Presented to Congress
 - Agency Presentation to Appropriations Comms.
 - Congressional Enactment of Appropriations
 - Congressional Budget Direction for Federal Spending

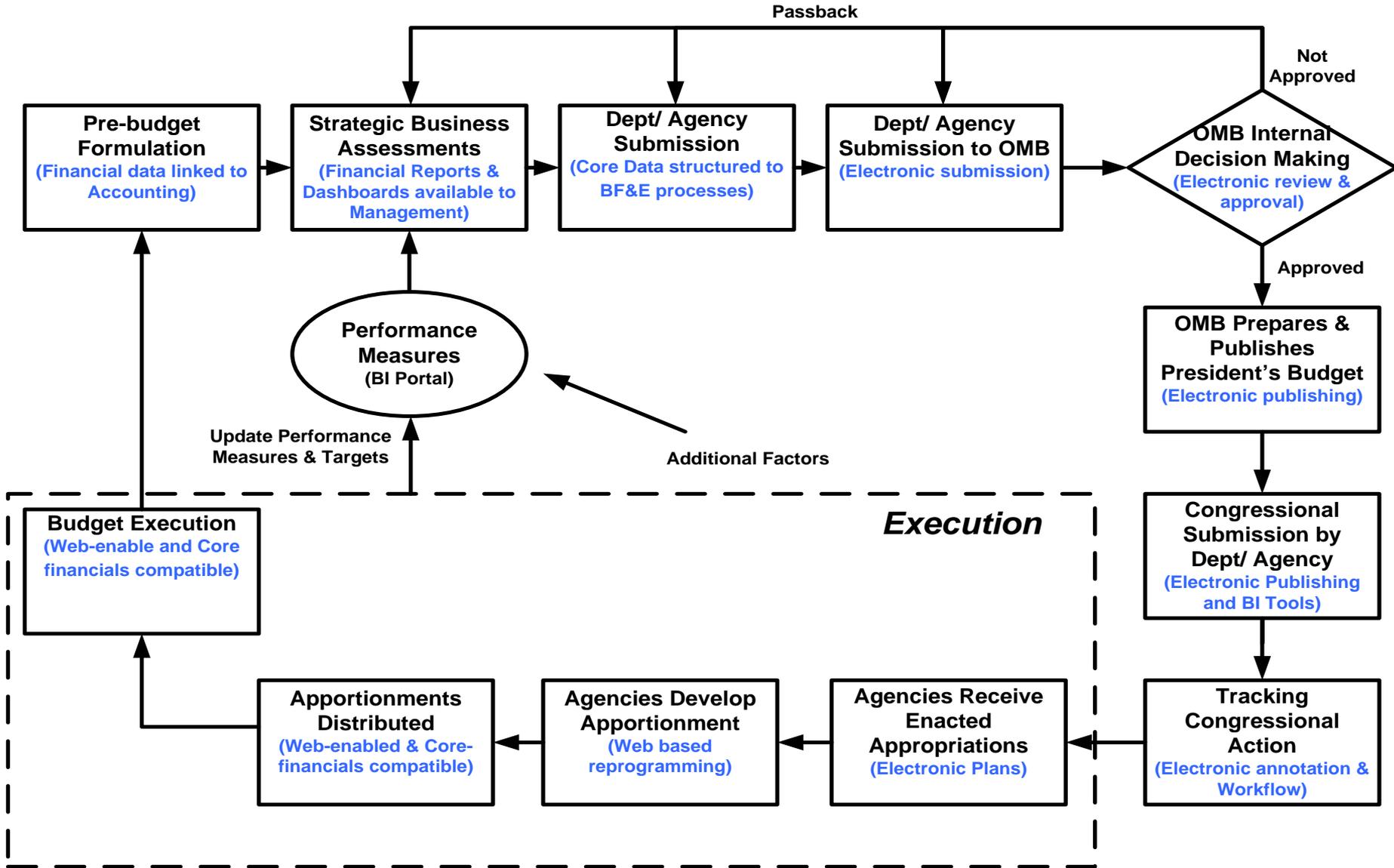


- BUDGET EXECUTION**
- Apportionment & Allotment of
 - Deferral or Rescission Messages
 - Reports on Program/Financial Performance



- AUDIT AND REVIEW**
- Agency Evaluation of Programs and Finances
 - GAO Conducts Audits; Prepares Reports

Developing & Managing the Budget



Major Legislative Drivers for Budget Process

□ Process Mechanics

- *A Set of Rules and Institutions for Making Tax and Spending Decisions*

□ A Result of Many Different Laws

- *Budget and Accounting Act of 1921 (Core Legislation)*
- *Congressional Budget and Impoundment Control Act of 1974*
- *Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings)*
- *Budget Enforcement Act of 1990 (BEA)*
- *Budget Control Act of 2011 (BCA) (Sequestration a Caps thru 2021)*
- *Bipartisan Budget Act of 2013 (BBA) (Revised Caps, Sequestration Modified for 2014 and 2015)*

Budget Approval

The Budget Resolution and Reconciliation

- Development of Budget Resolution (*Not Enacted Law*)
 - “Concurrent” resolution (set of rules to govern Congressional budget actions)
 - Under the jurisdiction of House and Senate Budget Committees
 - Congress focuses on the whole budget
 - Scheduled to be adopted by April 15 (Rarely is)
 - Two key components
 - ✓ Aggregate numbers
 - ✓ Committee allocations
- The Reconciliation Process (*Enacted Law*)
 - Optional process, covering taxes and mandatory spending
 - Has been used for recent major policy actions

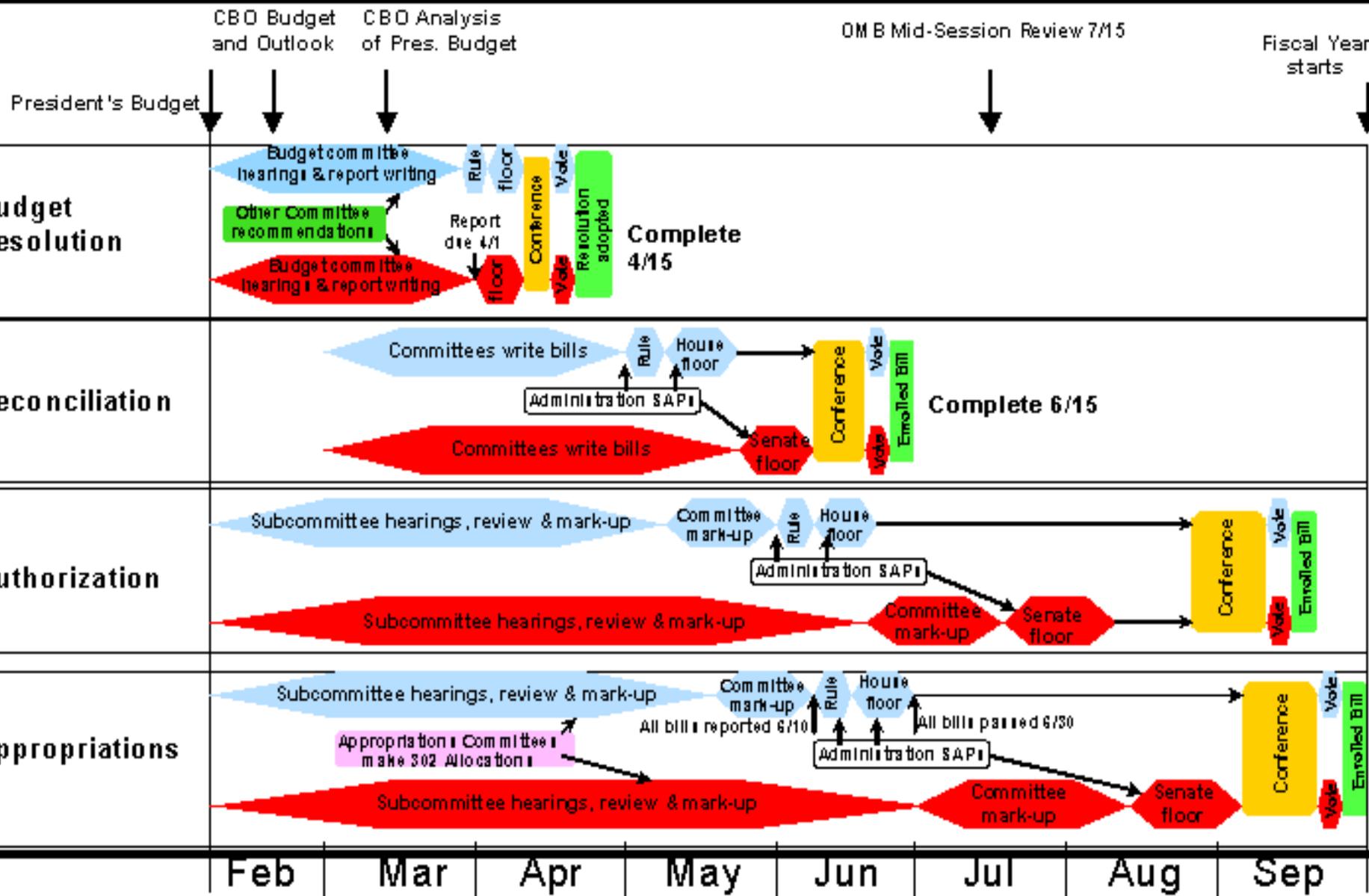
Budget Resolution

- ❑ Jurisdiction of House and Senate Budget Committees (*Administration testifies here first on budget request*)
- ❑ Must pass House and Senate in identical form (*does not need POTUS signature*)
- ❑ Establishes Overall Budget Expectations – Spending, Revenue, Borrowing
- ❑ Includes spending limits for Appropriations (*discretionary spending*)
- ❑ Projection of the budget deficit (*and therefore agreement on tax revenues and any changes in mandatory spending*).
- ❑ Base for Budget Controls – Pay-Go

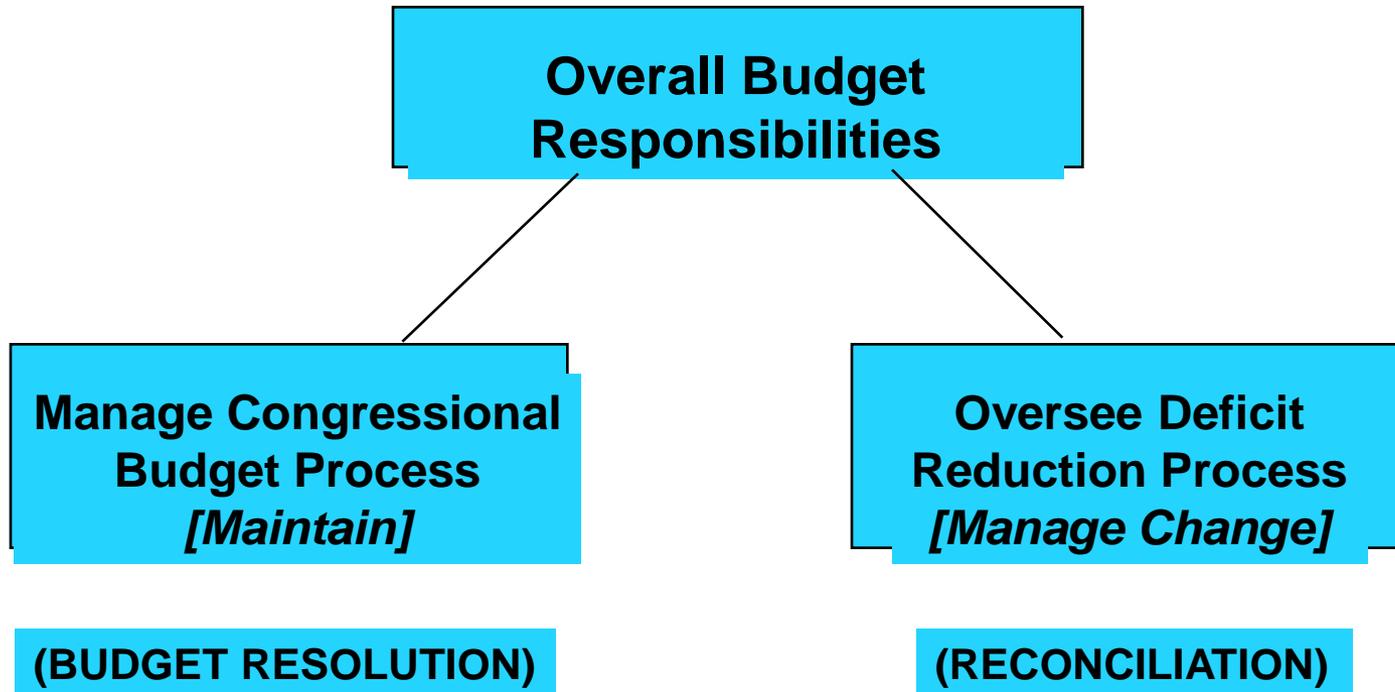
Pay-As-You-Go

- ❑ Budget Enforcement Act of 1990 established PAYGO procedures
- ❑ Generally – Requires that new direct spending and revenue legislation be deficit neutral.
- ❑ Direct Spending is spending that does not require appropriations
- ❑ If proposed legislation causes an increase in direct spending or a reduction in revenue – then it must be offset by an equivalent amount of direct spending reductions, revenue increases, or both.

CONGRESSIONAL BUDGET PROCESSES



BUDGET PROCESS in Congress . . .



Congressional Budget Decision Framework

(1990/1993/1997, and thru 2002)

SPENDING MANAGEMENT

- o Statutorily defined in law, adjusted for:
 - Disaster Spending
 - Inflation Impacts
 - Special 1990 Rules
[Expired]
- o Non-entitlement spending for all Federal agencies
- o Enacted Appropriations within Budget CAPS

REVENUE & ENTITLEMENTS MANAGEMENT

- o Legislation/Executive actions must be revenue neutral (PAYGO)

=====

- o *Economic impacts across economy automatic*

- o Legislation/Executive actions must be revenue neutral (PAYGO)

=====

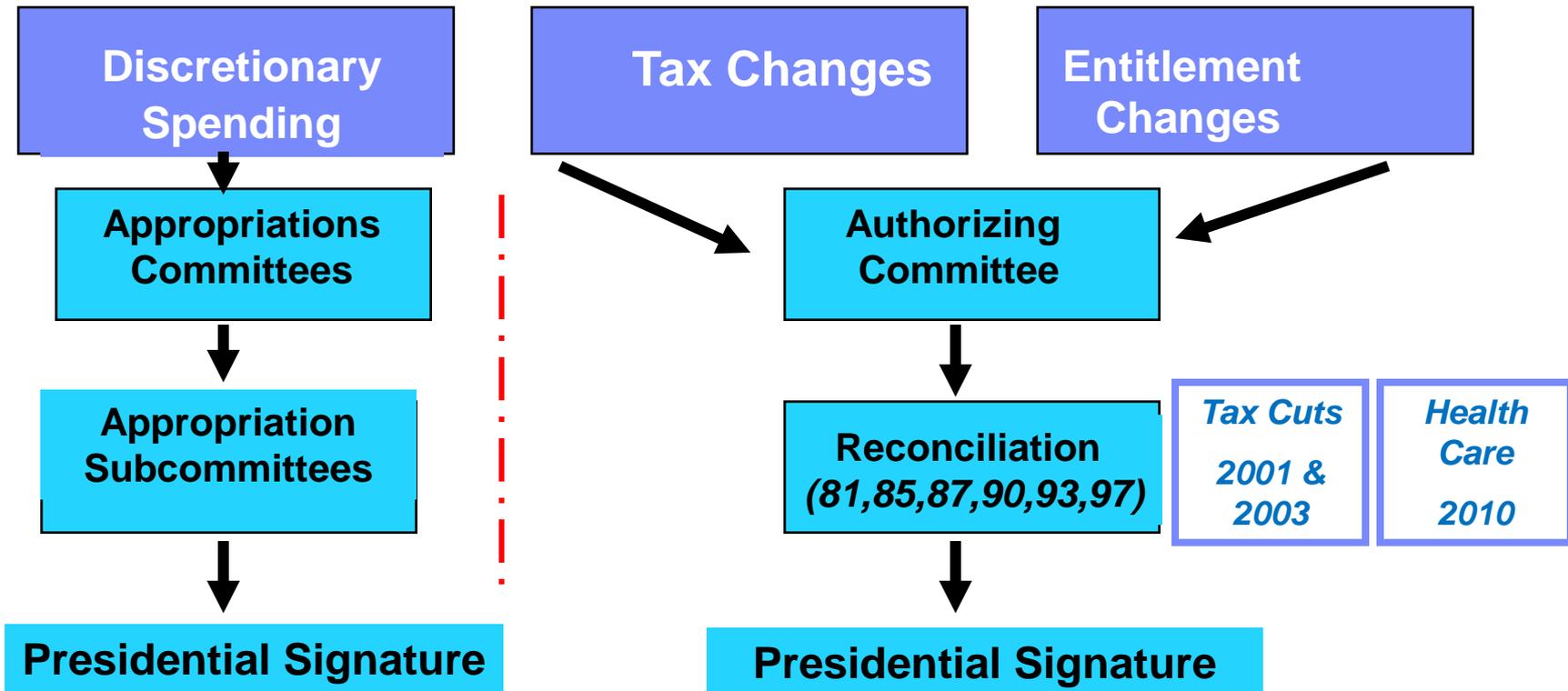
- o *Demographic adjustments (age, economic status, etc) automatic*

HOW IS IT MANAGED?

BUDGET RESOLUTION

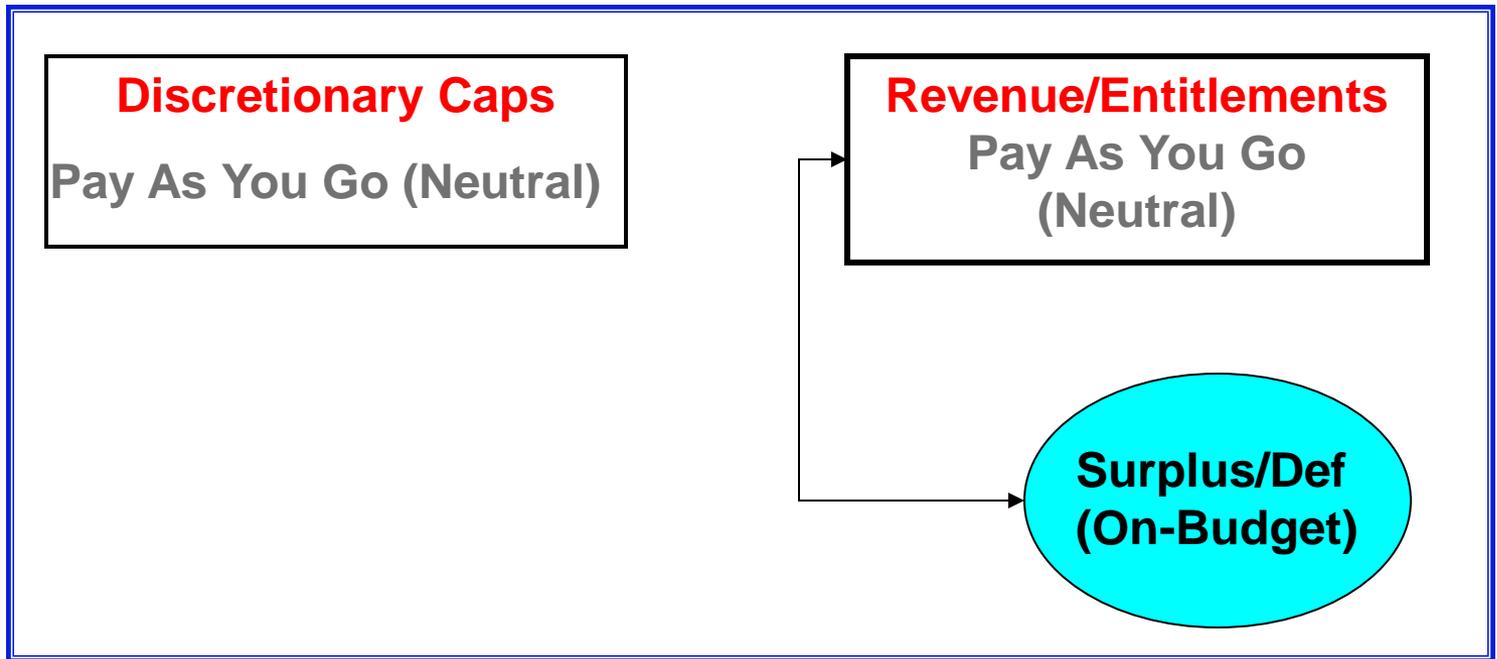
Reconciliation

Reconciliation

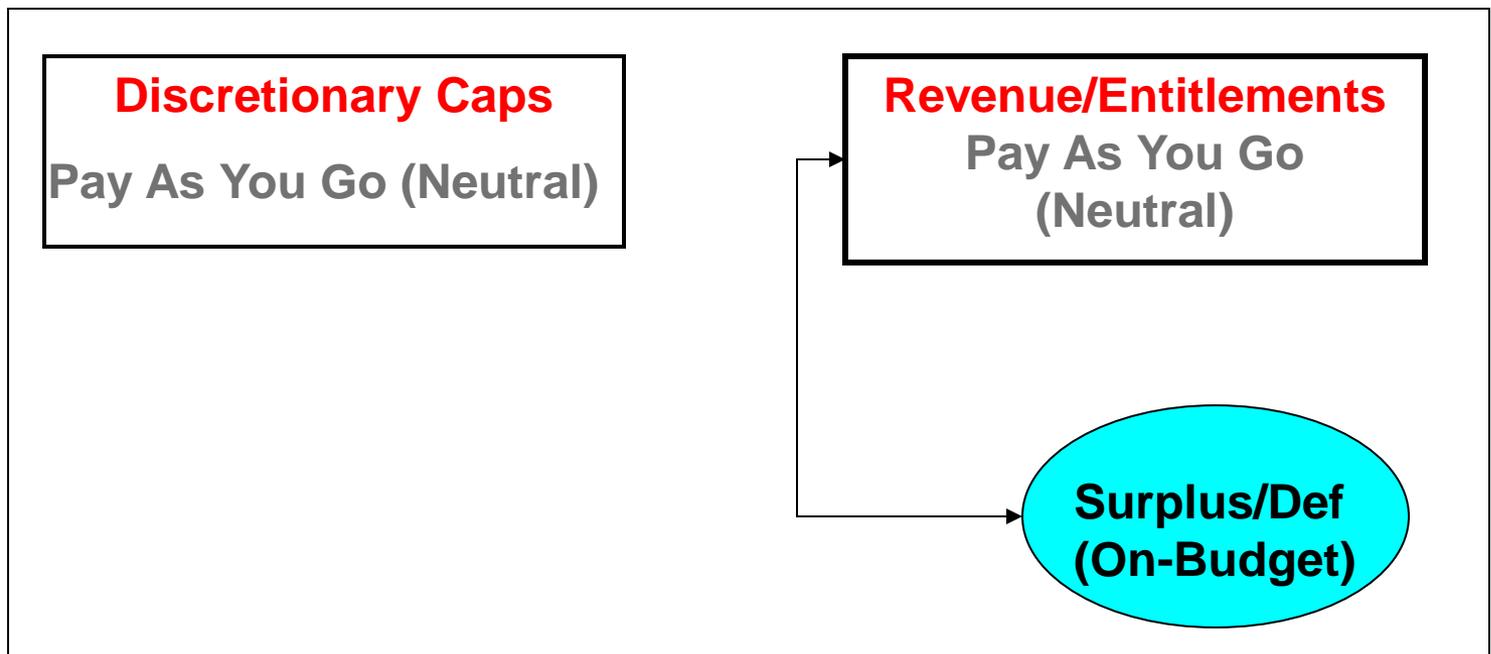
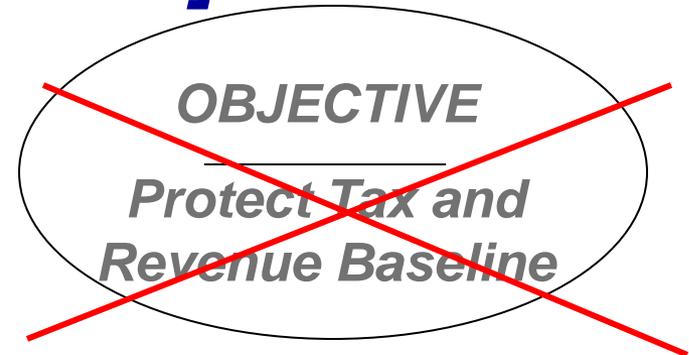


Federal Budget Decision Framework [1991 – 1998]

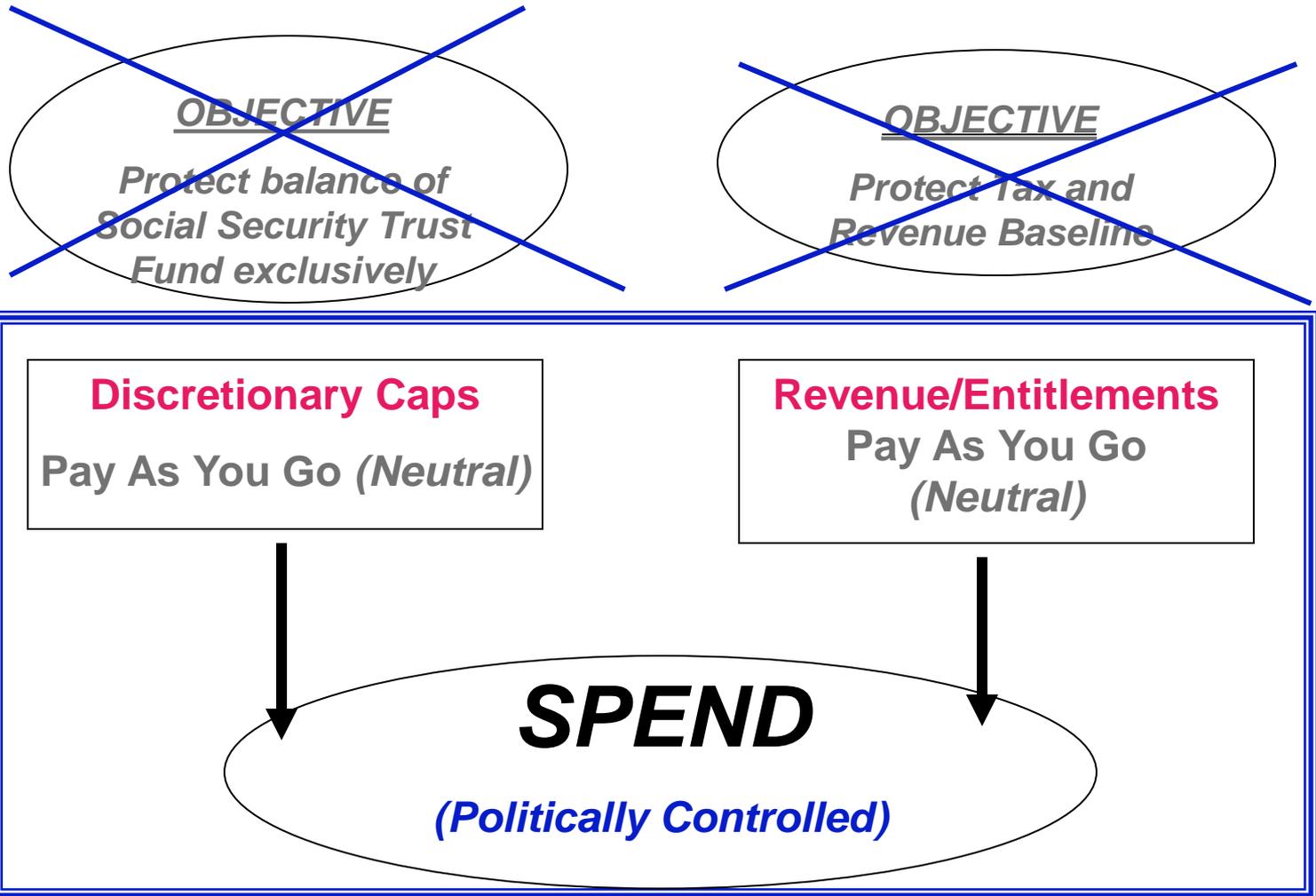
OBJECTIVE
*Protect Tax & Revenue
Baseline*



Federal Budget Decision Framework [1999 – 2002]



Federal Budget Decision Framework [In Place 2003 - 2010]

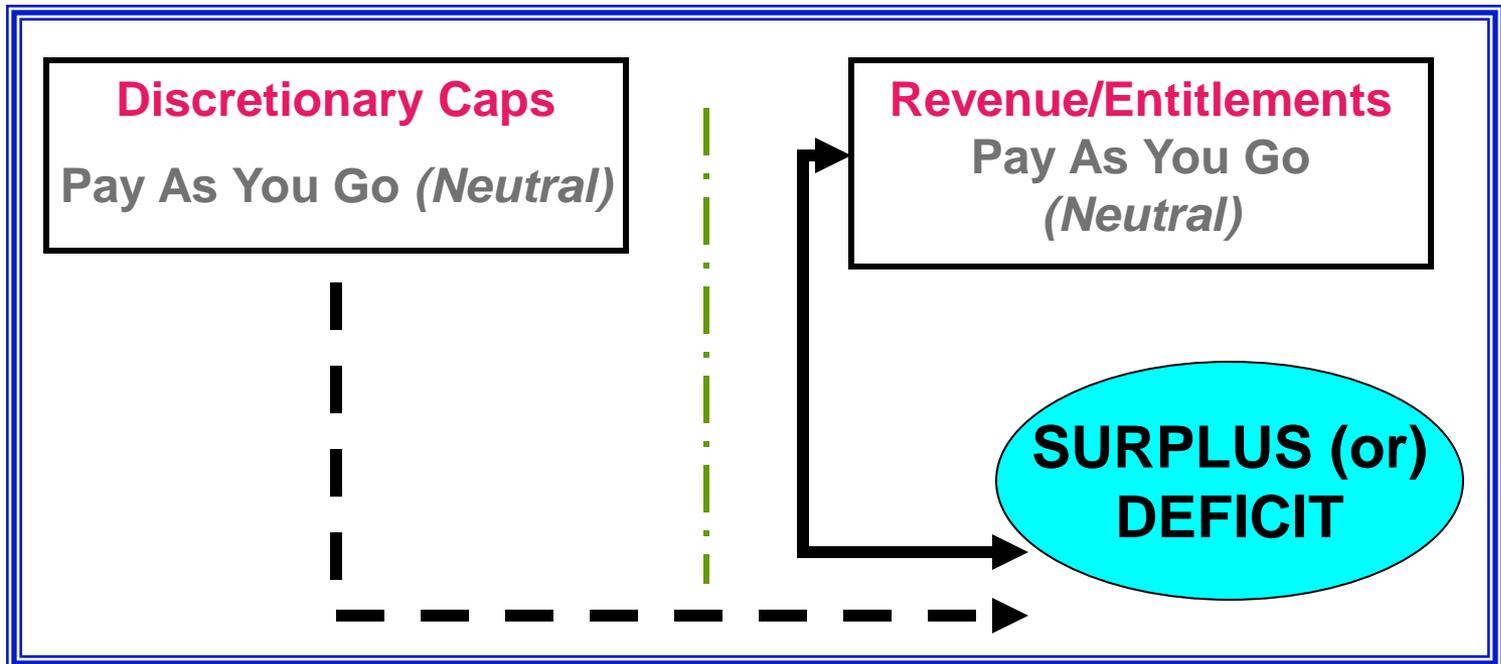


Federal Budget Decision Framework [2010 – Re-Instated]

Originally in Place
1991-2002

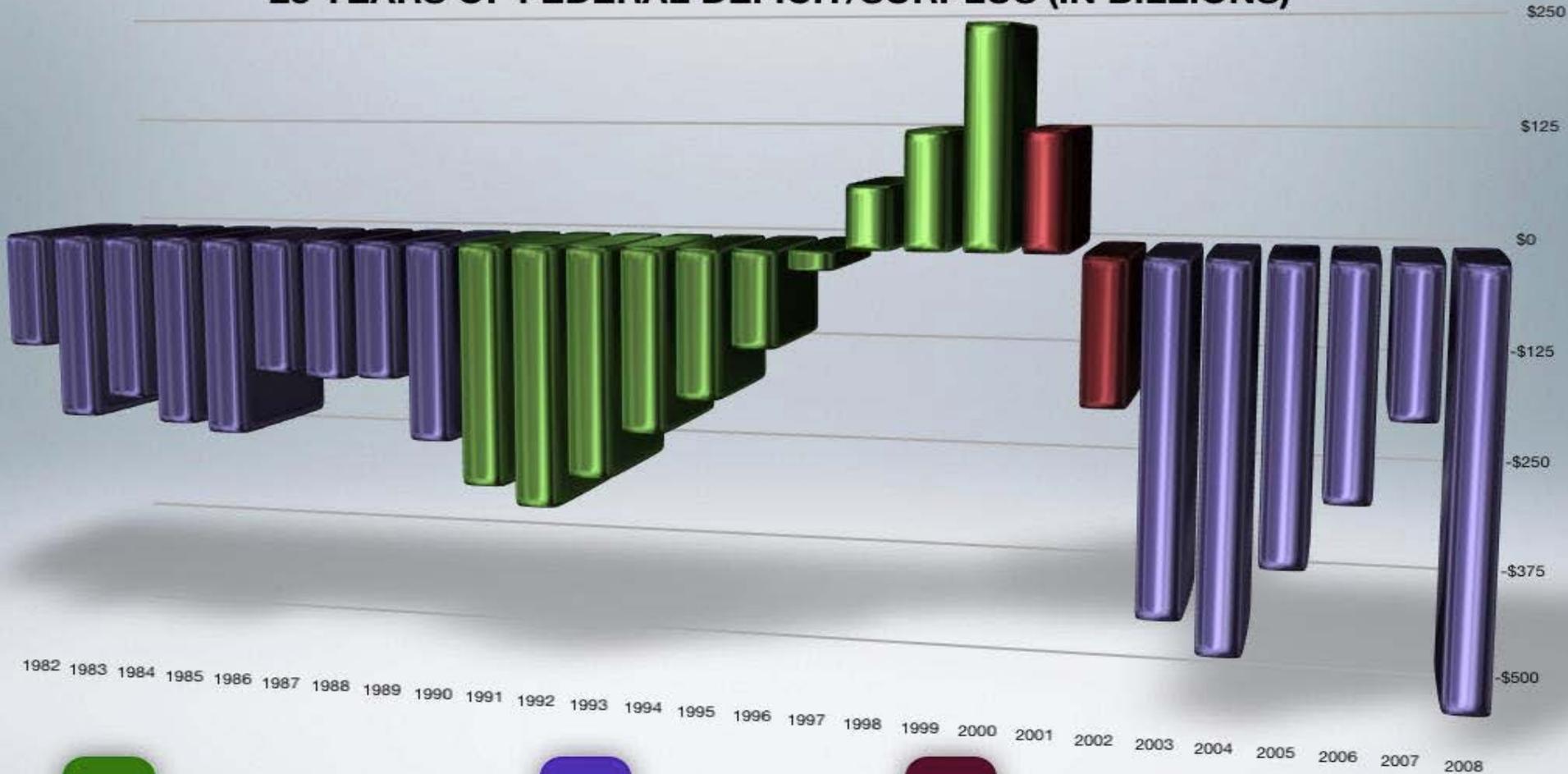
Outside:
Iraq, Afgan and AMT

OBJECTIVE
**Protect Tax &
Revenue Baseline**



THE POWER OF PAYGO

25 YEARS OF FEDERAL DEFICIT/SURPLUS (IN BILLIONS)



PAYGO IN EFFECT



NO PAYGO



PAYGO ROUTINELY DISREGARDED

Source: Office of Management and Budget. Years referenced are fiscal years.

The Federal Budgeting Process

Planning and Budgeting Process Flow



- Departments and Agencies prepare budget estimates and proposals
 - *Planning Phase*
 - *Budgeting Phase*



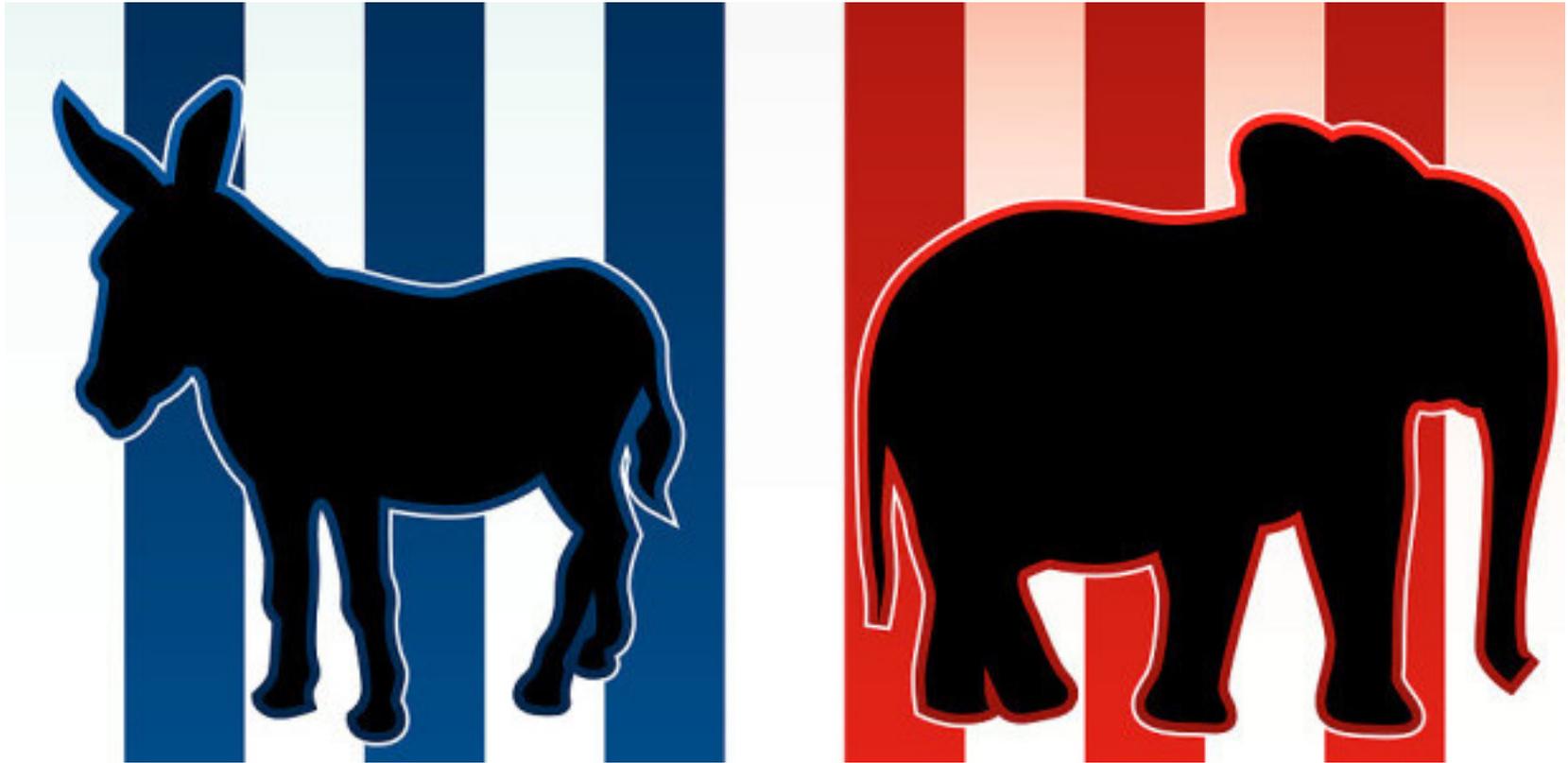
- OMB reviews submissions of Departments and Agencies – Recommends budget levels to President
- President submits budget to Congress



- Congress appropriates and authorizes funding for the Departments
 - *Budget Legislation*
 - (*Authorization & Appropriation*)

The Cabinet Departments Moving Closer to Performance Results to Link Strategy to Resources



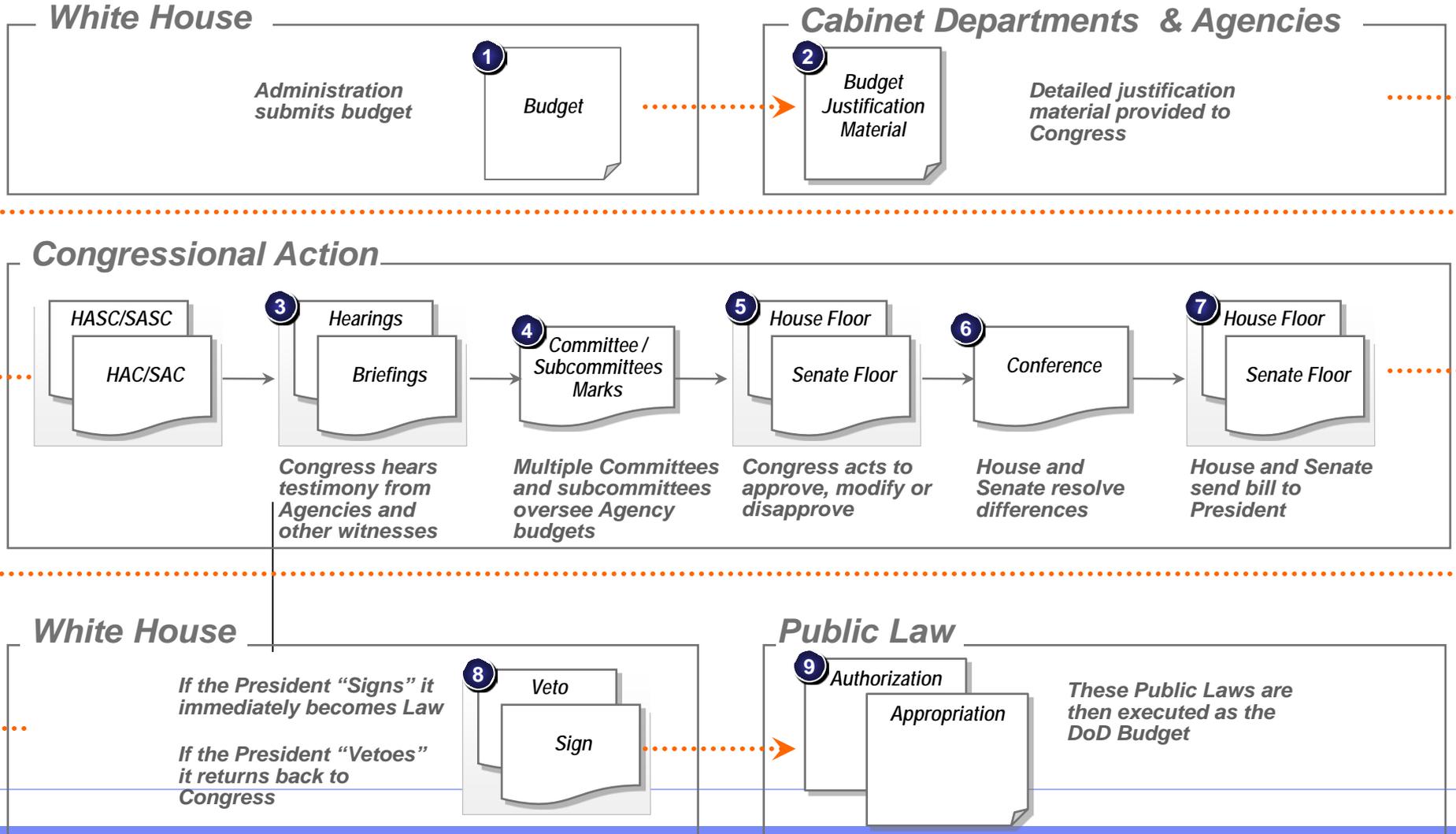


Never Really
Happens This Way

[SAMPLE] CONGRESSIONAL CALENDAR

January 25 - Feb. 1st	→	SOTU/Budget Committee/CBO Overview
February – 1 st Monday	→	President's FY 2011 Budget Released
February	→	HOUSE/SENATE: Appropriation & Budget Committees Review of Total Fed Budget HOUSE: Agency-Level Appropriation Hearings
March 1-Mid April	→	SENATE: Agency-Level Appropriation Hearings HOUSE: Budget Comm. Markup (<i>Mid-March</i>)
By Mid April	→	HOUSE/SENATE: Complete Budget Resolution
May/June/July	→	HOUSE: Approp. Markup (<i>May Mark; June Floor</i>) SENATE: Approp. Markup (<i>June Mark; July Floor</i>) PRE-CONFERENCE: Appropriations Bills
During July EARLY August	→	CONGRESS: Works Thru Other Auth. Leg. CONGRESS: Limited CONFERENCE on Approps CONGRESS: <i>Recess Until After Labor Day</i>
September/October November & Dec (?)	→	CONGRESS: Selected Approps Approved (9/30) CONGRESS: Omnibus Approp.; Remaining Uncompleted., Plus Other Issues

Congressional Review Process



12 Appropriations Bills (*Subcommittees*)

- Agriculture, Rural Development, & Related Agencies
- Commerce, Justice, Science, & Related Agencies
- Defense
- Energy and Water
- Financial Services and General Government
- Homeland Security
- Interior, Environment, & Related Agencies
- Labor, Health and Human Services, Education, & Related Agencies
- Legislative Committee (*at Full Committee Level Only*)
- Military Construction, Veterans Affairs, & Related Agencies
- State, Foreign Operations, & Related Agencies
- Transportation, HUD, & Related Agencies

Budget Functions of Congressional Committees

Authorizing Committees	Appropriations Committees	Revenue Committees	Budget Committees
Report authorizing and direct spending legislation	Report appropriations bills	Report revenue legislation	Report budget resolution, including reconciliation instructions
Submit views and estimates to budget committee	Submit views and estimates to budget committee	Report direct spending legislation	Allocate new budget authority, outlays, and other aggregates to committees
Recommend changes in law pursuant to reconciliation instructions	Provide guidance to agencies on expenditure of funds	Submit views and estimates to budget committee	Monitor budget and budgetary legislation
	Review proposed rescissions; Establish account structure; Establish reprogramming rules	Recommend changes in laws pursuant to reconciliation instructions	Compile and report reconciliation legislation

Important Committees BEYOND Appropriations

- House Budget Committee – Leads Budget Resolution Process
- Senate Budget Committee – Leads Budget Resolution Process
- Joint Committee on Taxation – Technical Revenue Analysis Only
- Numerous Authorization Committees
 - *House Ways & Means*
 - *Senate Finance*
 - *Armed Services*
 - *Science & Technology*
 - *Judiciary*
 - *Agriculture*
 - *Oversight and Government Reform*
 - *Etc.*

Union Calendar No. 264

H.R. 5441

[Report No. 109-476]

Making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2006

Mr. ROGERS of Kentucky, from the Committee on Appropriations, the following bill, which was committed to the Committee of the House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
- 2 *That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated:*
- 3 *5 fiscal year ending September 30, 2007, for the Department of Homeland Security and for other purposes:*
- 4
- 5
- 6
- 7

109TH CONGRESS 2d Session HOUSE OF REPRESENTATIVES REPORT 109-476

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS BILL, 2007

Mr. ROGERS of Kentucky, from the Committee on Appropriations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

(To accompany H.R. 5441)

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007.

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TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS	Page	Report
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Office of the Federal Coordinator for Gulf Coast Rebuilding	5	29
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TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATION		
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Grand		

Calendar No. 503

H.R. 5441

[Report No. 109-273]

IN THE SENATE OF THE UNITED STATES

JUNE 7, 2006

Received, read twice and referred to the Committee on Appropriations

JUNE 29, 2006

Reported by Mr. GREGG, with an amendment

(Printed out after the enacting clause and insert the part printed in italics)

AN ACT

Making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*
- 2 *That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2007, for the Department of Homeland Security and for other purposes, namely:*
- 3
- 4
- 5
- 6
- 7

Calendar No. 503

SENATE REPORT 109-273

HOMELAND SECURITY APPROPRIATIONS BILL, 2007

SEN 29, 2006.—Ordered to be printed

Mr. GREGG, from the Committee on Appropriations, submitted the following

REPORT

(To accompany H.R. 5441)

The Committee on Appropriations, to which was referred the bill (H.R. 5441) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes, reports the same to the Senate with an amendment and recommends that the bill as amended do pass.

One Hundred Ninth Congress of the United States of America

AT THE SECOND SESSION

Began and held at the City of Washington on Tuesday, the third day of January, two thousand and six

An Act

Making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2007, for the Department of Homeland Security and for other purposes, namely:

TITLE I

DEPARTMENTAL MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

For necessary expenses of the Office of the Secretary of Homeland Security, as authorized by section 102 of the Homeland Security Act of 2002 (5 U.S.C. 112), and executive management of the Department of Homeland Security, as authorized by law, \$94,470,000: *Provided*, That not to exceed \$40,000 shall be for official reception and representation expenses: *Provided further*, That of the funds provided under this heading, \$5,000,000 shall not be available for obligation until the Secretary of Homeland Security submits a comprehensive port, container, and cargo security strategic plan to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Homeland Security of the House of Representatives; the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Commerce, Science, and Transportation of the Senate that requires screening all inbound cargo, doubles the percentage of inbound cargo currently inspected, sets minimum standards for securing inbound cargo, and includes the fiscal year 2007 performance requirements for port, container, and cargo security as specified in the joint explanatory statement accompanying this Act: *Provided further*, That of the funds provided under this heading, \$10,000,000 shall not be available for obligation until the Secretary submits the Secure Border Initiative multi-year strategic plan to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on the Judiciary of the Senate and the House of Representatives no later than December 1, 2006, that includes: a comprehensive

CONGRESS | HOUSE OF REPRESENTATIVES | REPORT 109-476

ING APPROPRIATIONS FOR THE DEPARTMENT OF MELAND SECURITY FOR THE FISCAL YEAR ENDING PTEMBER 30, 2007, AND FOR OTHER PURPOSES

SEPTEMBER 29, 2006.—Ordered to be printed

Ir. ROGERS of Kentucky, from the committee of conference, submitted the following

CONFERENCE REPORT

(To accompany H.R. 5441)

The committee of conference on the disagreeing votes of the Houses on the amendment of the Senate to the bill (H.R. 5441) making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes, having met, after full and free conference, have agreed to amend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, in lieu of the matter stricken and inserted by said amendment, that the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2007, for the Department of Homeland Security and for other purposes, namely:

TITLE I

DEPARTMENTAL MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

For necessary expenses of the Office of the Secretary of Homeland Security, as authorized by section 102 of the Homeland Security Act of 2002 (5 U.S.C. 112), and executive management of the Department of Homeland Security, as authorized by law, \$94,470,000: *Provided*, That not to exceed \$40,000 shall be for official

Conference Bill
Conference Report

House Bill
House Report

Senate Bill
Senate Report

Congressional Appropriations Process

May Include "Joint Explanatory Statements"

OMB Definition of Earmark:

- ❑ *Funds provided by the Congress for projects or programs where the congressional direction (in bill or report language) circumvents Executive Branch merit-based or competitive allocation processes, or specifies the location or recipient, or otherwise curtails the ability of the Executive Branch to manage critical aspects of the funds allocation process.*
- ❑ Earmarks Include:
 - *Add-ons. If the Administration asks for \$100 million for formula grants, for example, and Congress provides \$110 million and places restrictions (such as site-specific locations) on the additional \$10 million, the additional \$10 million is counted as an earmark.*
 - *Carve-outs. If the Administration asks for \$100 million and Congress provides \$100 million but places restrictions on some portion of the funding, the restricted portion is counted as an earmark.*
 - *Funding provisions that do not name a recipient, but are so specific that only one recipient can qualify for funding.*

New Earmark Rules

- ❑ Members must post Earmarks on Website
- ❑ Members must pledge no financial interest
- ❑ Executive Branch must review to confirm earmark meets program requirements
- ❑ Each bill must list Earmarks and Member sponsor
- ❑ Earmarks must be limited to 50% of the 2006 levels and no more than 1% of discretionary budget
- ❑ Members may offer floor amendments on earmarks
- ❑ Earmarks directed to for-profit entities will undergo a competitive bidding process

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