

1976

## Arts and Humanities: Program Funding (1976): Correspondence 02

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COMMITTEE ON LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

MEMORANDUM

March 8, 1976

TO: Committee Members

FROM: Full Committee staff

RE: Materials for mark-up of Committee report to Budget Committee

Pursuant to the requirements of the Congressional Budget Act, the Labor and Public Welfare Committee must submit its recommendations for fiscal year 1977 budget authority and outlays to the Senate Budget Committee no later than March 15, 1976.

During the past several months, the staff of the Committee has prepared materials for the use of the members of the Committee in order to provide a historical budgetary perspective upon which to base its recommendations. The staff of each subcommittee was requested to submit estimates for all programs within their respective jurisdictions, and subsequently, the staff of the entire Committee reviewed these recommendations for final discussion by Committee members.

In preparing the materials, the Federal budget was broken down by general functions, subfunctions, specific accounts within subfunctions and the Act, title, and program of authorizing legislation. Generally speaking, programs within the Committee's jurisdiction do not comprise an entire function or subfunction, and in many cases, such programs do not make up an entire account.

The Committee will have three basic documents before it for mark-up purposes:

1. A Summary Budget Table, showing budget authority and outlays by function, subfunction, and agency activities within each subfunction. Under the Budget Authority (appropriation) heading, the table presents the following:
  - 1976 appropriations enacted,
  - 1977 requests by the President,
  - 1977 Committee staff recommendations.

Under the Outlay heading, the table presents the following:

- 1976 outlays as estimated by the Executive Branch,
  - 1977 outlays as estimated by the President,
  - 1977 outlays as estimated by Committee staff, based upon budget authority changes recommended,
  - 1977 outlays to maintain current service levels, estimated by the Committee staff with assistance from the Congressional Budget Office.
2. A detailed budget table set up by function, subfunction, agency, Act, title, and program and which shows for each program (under both the budget authority and outlay headings) 1976 actual levels, the President's estimates for 1977, and the staff recommendations for 1977.
  3. A table listing new legislative initiatives, as well as legislation scheduled for renewal, which have FY 1977 budget impact.

#### PROPOSED FORM OF RECOMMENDATIONS

The consensus of the staff is that the Committee should provide its recommendations to the Budget Committee at the level of aggregation appearing in the Summary Table (Table #1).

The approach conforms to the Committee's role under the Budget Act of influencing the establishment of national priorities, rather than allocating funds to specific programs individually. This latter set of judgments will be made in the appropriations process, after Congress has balanced priorities.

At the same time, however, it is the view of the Committee staff that the narrative report to the Budget Committee should include a list of major program highlights. This would facilitate giving appropriate emphasis to crucial individual programs and, at the same time, provide the Budget Committee with a supporting rationale for significant budgetary changes recommended by this Committee.

### BASIS FOR COMMITTEE STAFF RECOMMENDATIONS

In developing the Committee's budget documents, the staff has used as its foundation the cost in fiscal 1977 of maintaining Federal services at their current levels. Adjustments were made on this basis for purposes of establishing Committee recommendations.

These "current services" levels were computed on the basis of the same assumptions that were employed by the Congressional Budget Office in making its five-year projections of Federal expenditures. Specifically, entitlement programs, including mainly income maintenance payments, were adjusted based on the assumption that the economy would follow Path B (the less optimistic) of CBO's economic projections; education programs were adjusted with an 8% inflation factor; health programs were adjusted by 7.1%; labor programs were adjusted by 7.5%.

In brief, the staff has developed a "current services plus" budget report for the Committee's consideration.

### PROPOSED COMMITTEE RECOMMENDATIONS

In general, the staff proposes that the Budget Committee be urged to maintain a level of budget authority and outlays in 1977 that is no lower than the cost of maintaining current services.

In addition, the staff proposes adjustments to the current services level that would, in sum, add approximately \$3.8 billion to the fiscal 1977 current services level of outlays. Total outlays under the staff recommendation would be \$33.7 billion, compared with a current services cost of \$29.9 billion.

Specific items singled out by the staff for emphasis in the narrative report are attached to this memorandum as a list of "highlights."