

OMB FINAL SEQUESTRATION REPORT

COMMUNICATION

FROM

**THE DIRECTOR, THE OFFICE OF
MANAGEMENT AND BUDGET**

TRANSMITTING

**OMB'S FINAL SEQUESTRATION REPORT TO THE PRESIDENT AND
CONGRESS FOR FISCAL YEAR 1992, PURSUANT TO PUBLIC LAW
101-508, SEC. 13101(a) (104 STAT. 1388-587)**



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

THE DIRECTOR

January 13, 1992

Honorable Thomas S. Foley
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Enclosed please find the *OMB Final Sequestration Report to the President and Congress for Fiscal Year 1992*. It has been prepared in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and the Budget Enforcement Act of 1990 (Public Law 101-508).

As required by law, the report includes the final estimates of the discretionary spending limits, a summary of enacted legislation affecting direct spending and receipts, calculations of the maximum deficit amount, and comparisons with the estimates provided by the Director of the Congressional Budget Office in his report. Based on legislation enacted during the first session of the 102nd Congress, no sequestration is required.

Respectfully submitted,

Richard Darman
Director

Enclosure

IDENTICAL LETTERS SENT TO THE PRESIDENT AND HONORABLE DAN QUAYLE

**OMB FINAL SEQUESTRATION REPORT TO
THE PRESIDENT AND CONGRESS
FOR FISCAL YEAR 1992**



January 13, 1992

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GENERAL NOTES

1. All years referred to are fiscal years unless otherwise noted.
2. Details in the tables and text may not add to totals due to rounding.



THE DIRECTOR

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

The following is the text of a letter transmitting
the *OMB Final Sequestration Report to the
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The President
The White House
Washington, DC 20500

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IDENTICAL LETTERS SENT TO
HONORABLE DAN QUAYLE AND HONORABLE THOMAS S. FOLEY

I. INTRODUCTION

The Budget Enforcement Act of 1990 (BEA), which was enacted into law as part of the Omnibus Budget Reconciliation Act of 1990, requires OMB to issue final sequestration reports within fifteen days of the end of the Congressional session for discretionary spending, pay-as-you-go legislation, and the deficit. This report fulfills this requirement

for legislation enacted during the first session of the 102nd Congress. The estimates in this report reflect legislation enacted and signed into law by the President through January 3, 1992. As required by the BEA, the estimates use the same economic and technical assumptions contained in the President's budget for fiscal year 1992.

II. DISCRETIONARY SEQUESTRATION REPORT

Discretionary programs are, in general, those that have their funding levels established annually through the appropriations process. The scorekeeping guidelines accompanying the BEA identify accounts with discretionary resources. The BEA limits budget authority and outlays available for three categories of discretionary programs through 1993: defense, international, and domestic. Appropriations that cause either the budget authority or outlay limits for any category to be exceeded will trigger a sequester to eliminate any such breach in that category. For 1994 and 1995, there are no separate categories for discretionary programs, and the caps apply to total discretionary budget authority and outlays. There is no requirement that the full amount available under the discretionary limits be appropriated.

Adjustments to the limits.—Table 1 shows the impact on the discretionary limits—also known as caps—of various adjustments permitted by Section 251(b) of the BEA. Adjustments authorized under Section 251(b)(1) include those for differences between actual and projected inflation and for changes in concepts and definitions. These adjustments were included in the Sequestration Preview Report that accompanied the President's FY 1992 Budget, which was issued on February 4, 1991.

Section 251(b)(2) of the BEA authorizes adjustments that can be made only after appropriations have been enacted. Table 1 includes those adjustments that can be made now due to legislation enacted during the

first session of the 102nd Congress. These adjustments include:

- **Emergency appropriations.**—Adjustments are permitted for funding that the President and Congress designate as emergency requirements. Since the February 4th Preview Report, an additional \$0.9 billion for 1991 and \$1.8 billion for 1992 have been enacted and designated by the President and Congress as emergency requirements.
- **Operation Desert Shield/Desert Storm.**—Adjustments are permitted for funding for the incremental costs of Operation Desert Shield/Desert Storm. After taking into account reappropriations during 1992, a net of nearly \$47 billion has been enacted for this purpose since February 4th.
- **Internal Revenue Service (IRS) funding.**—These adjustments include funding for the IRS compliance initiative above the Congressional Budget Office (CBO) baseline levels estimated in June 1990. The adjustments are limited to the budget authority and outlay amounts specified in the BEA. Table 1 shows IRS compliance initiative funding enacted to date, as well as funding anticipated to be enacted for fiscal years 1993 to 1995.
- **Debt forgiveness.**—For calendar years 1990 and 1991 only, adjustments are permitted for the estimated cost of forgiving Egypt's foreign military sales debt to the United States and any part of Poland's debt to the United States.

In addition, the BEA provides special allowances for budget authority in 1992 and 1993, and for outlays in 1991 through 1995. The outlay allowance is intended to provide for technical estimating differences between OMB and CBO. Thus, an appropriation that meets both the budget authority and outlay caps under CBO scoring, but exceeds the outlay cap under OMB scoring, would not trigger a sequester if the excess is less than the available outlay allowance. The dollar amounts for the outlay allowances are specified in the BEA. Allowances of \$2.5 billion for defense, \$1.5 billion for international, and \$2.5 billion for domestic are permitted in each year

for 1991, 1992 and 1993. An allowance of \$6.5 billion for total discretionary is permitted in each year for 1994 and 1995.

The special budget authority allowances apply to the international and domestic discretionary categories. The budget authority allowances are based on a percentage of the total adjusted discretionary limits for budget authority in 1991 through 1993. The outlays associated with the budget authority allowances are calculated using spendout rates contained in the law. These outlays are subtracted from the outlay allowance, reducing the amount available for technical estimating differences.

Table 1. DISCRETIONARY SPENDING LIMITS
(In millions of dollars)

		1991	1992	1993	1994	1995
DOMESTIC						
Domestic limits set in OBRA 1990	BA	182,700	191,300	198,300		
	OL	198,100	210,100	221,700		
Adjustment for IRS compliance initiative funding	BA	191	172			
	OL	183	178	3		
Adjustments for appropriations enacted as emergency requirements or incremental costs of Desert Shield/Desert Storm.						
Domestic emergencies (Public Law 102-27)	BA	39				
	OL	187	3			
Operation Desert Shield/Desert Storm-Veterans Benefits (Public Law 102-27)	BA	5	126	142	4	4
	OL	4	125	143	5	4
Domestic emergencies (Public Law 102-229)	BA		1,795			
	OL		1,235	400	160	
Operation Desert Shield/Desert Storm-Veterans medical care (Public Law 102-229)	BA		10			
	OL		9	1		
Additional adjustments						
Inflation	BA		-187	-189	-191	-195
	OL		-111	-166	-190	-204
Credit reform						
Credit reform program costs	BA		1,317	1,344	1,376	1,416
	OL		-8	413	625	769
FmHA administrative expenses	BA		297	312	327	343
	OL		297	312	327	343
Other conceptual						
Lease purchase	BA					
	OL		405	650	450	82
Statutory requirements and other changes for social insurance accounts	BA		6,384	6,158	5,996	5,949
	OL		550	442	300	317
Statutory and other shifts between categories	BA		-711	-134	-141	-149
	OL		-171	-135	-142	-149
Special allowance for discretionary new budget authority	BA		1,586	1,586		
	OL		840	1,332	682	222
Subtotal, domestic adjustments	BA	235	10,788	9,219	7,371	7,368
	OL	374	3,351	3,394	2,217	1,384
Adjusted domestic discretionary spending limit	BA	182,935	202,088	207,519		
	OL	198,474	213,451	225,094		
Special allowances for technical estimating differences used	BA		638			
	OL	1,996	1,654			

Table 1. DISCRETIONARY SPENDING LIMITS—Continued
(In millions of dollars)

		1991	1992	1993	1994	1995
End-of-session report domestic limits	BA	182,935	202,726	207,519		
	OL	200,470	215,105	225,094		
Further IRS funding adjustments anticipated for enactment before future end-of-session reports.	BA			183	187	188
	OL			179	187	188
End-of-session report domestic limits with further IRS adjustments	BA	182,935	202,726	207,702		
	OL	200,470	215,105	225,273		
INTERNATIONAL						
International limits set in OBRA 1990	BA	20,100	20,500	21,400		
	OL	18,600	19,100	19,600		
Debt forgiveness	BA					
	OL	100	129	167	210	231
Adjustments for appropriations enacted as emergency requirements or incremental costs of Desert Shield/Desert Storm:						
International emergencies (Public Law 102-27)	BA	909				
	OL	899	7	2	1	
Refugee Assistance (Public Law 102-55)	BA	296				
	OL	133	72	21	7	3
Additional adjustments:						
Inflation	BA		-20	-21	-22	-23
	OL		-10	-15	-18	-21
Credit reform program costs	BA		437	264	267	264
	OL		-42	50	434	658
Special allowance for discretionary new budget authority	BA		1,253	1,253		
	OL		576	827	451	301
Subtotal, international adjustments	BA	1,145	1,670	1,496	245	241
	OL	1,132	733	1,051	1,085	1,172
Adjusted international discretionary spending limits	BA	21,245	22,170	22,896		
	OL	19,731	19,833	20,651		
Special allowances for technical estimating differences used	BA					
	OL	565				
End-of-session report international limits	BA	21,245	22,170	22,896		
	OL	20,296	19,833	20,651		
DEFENSE						
Defense limits set in OBRA 1990	BA	288,918	291,643	291,785		
	OL	297,660	295,744	292,666		
Adjustments for enactment of emergency requirements for incremental costs of Desert Shield/Desert Storm appropriations:						
Operation Desert Shield (Public Laws 101-403 and 101-511)	BA	1,000				
	OL	1,165	238	87	16	-2
Operation Desert Shield/Desert Storm (Public Laws 102-27, 102-28, and 102-55).	BA	43,000				
	OL	31,977	6,705	2,500	977	387
Operation Desert Shield/Desert Storm (Public Laws 102-229)	BA		10,356			
	OL		6,733	2,069	870	395
Additional adjustments:						
Inflation	BA		-282	-305	-318	-330
	OL		-182	-250	-290	-315
Subtotal, defense adjustments	BA	44,000	10,074	-305	-318	-330
	OL	33,142	13,494	4,406	1,573	465
End-of-session report defense limits	BA	332,918	301,717	291,480		
	OL	330,802	309,238	297,092		
TOTAL DISCRETIONARY						
Discretionary limits set in OBRA 1990	BA	491,718	503,443	511,485	510,800	517,700
	OL	514,360	524,944	533,986	534,800	540,800
Adjustments for end-of-session report:						
Domestic	BA	235	11,426	9,219	7,371	7,368
	OL	2,370	5,005	3,394	2,217	1,384
International	BA	1,145	1,670	1,496	245	241
	OL	1,697	733	1,051	1,085	1,172

Table 1. **DISCRETIONARY SPENDING LIMITS**
(In millions of dollars)

		1991	1992	1993	1994	1995
Defense	BA	44,000	10,074	-305	-318	-330
	OL	33,142	13,494	4,406	1,573	465
Subtotal, adjustments for end-of-session report	BA	45,380	23,170	10,409	7,298	7,279
	OL	37,208	19,232	8,851	4,875	3,020
End-of-session report discretionary limits	BA	537,098	526,613	521,894	518,098	524,979
	OL	551,568	544,176	542,837	539,675	543,820
Further IRS funding adjustments anticipated for enactment before future end-of-session reports.	BA			183	187	188
	OL			179	187	188
End-of-session domestic limits with further IRS adjustments	BA	537,098	526,613	522,077	518,285	525,167
	OL	551,568	544,176	543,016	539,862	544,008

Status of 1991 discretionary appropriations.—Table 2 summarizes the enacted 1991 discretionary appropriations relative to the discretionary caps. In both the domestic and international categories, enacted budget authority is equal to the caps.

Although domestic discretionary outlays exceeded the cap by \$1,996 million, no sequester is required since the excess is within the \$2.5 billion outlay allowance permitted by the BEA. Similarly, the \$564 million outlay excess in the international category is within

Table 2. **STATUS OF 1991 APPROPRIATIONS**
(In millions of dollars)

	BA	Outlays
DOMESTIC		
Adjusted discretionary spending limits ¹	182,935	198,474
Total enacted	182,935	200,470
Appropriations over/under (-) spending limits	-*	1,996
Special allowance for technical estimating differences used		1,996
INTERNATIONAL		
Adjusted discretionary spending limits ¹	21,245	19,732
Total enacted	21,245	20,296
Appropriations over/under (-) spending limits		564
Special allowance for technical estimating differences used		564
DEFENSE		
Adjusted discretionary spending limits ¹	332,918	330,802
Total enacted	332,709	330,237
Appropriations over/under (-) spending limits	-209	-565
TOTAL DISCRETIONARY		
Adjusted discretionary spending limits ¹	537,098	549,008
Total enacted	536,888	551,003
Appropriations over/under (-) spending limits	-209	1,995
Special allowance for technical estimating differences used		2,560

* \$500 thousand or less

¹ Spending limits adjusted pursuant to section 251 of the BEA including dire emergency appropriations and Desert Shield costs. Use of the special outlay allowances is not included in the limits.

Table 3. STATUS OF 1992 APPROPRIATIONS
(In millions of dollars)

	BA	Outlays
DOMESTIC APPROPRIATIONS		
Commerce, Justice, State and Judiciary	15,802	15,676
Defense		37
District of Columbia	700	690
Energy and Water	9,860	9,160
Interior	13,098	12,555
Labor, HHS, Education	59,435	58,517
Legislative Branch	2,339	2,344
Rural Development, Agriculture	10,901	10,032
Transportation	13,762	31,806
Treasury, Postal Service and General Government	10,996	11,314
Veterans Affairs, HUD, Independent Agencies	63,902	61,600
Dir. Emergency Supplemental Appropriations (P.L. 102-229)		2
Total domestic	200,795	213,733
Funding for domestic "emergency requirements"	1,931	1,372
Total domestic with emergencies	202,726	215,105
Adjusted domestic discretionary spending limits	202,088	213,451
Enacted appropriations over/under (-) cap	638	1,654
Special allowance for technical estimating differences used	638	1,654
INTERNATIONAL APPROPRIATIONS		
Commerce, Justice, State and Judiciary	4,989	4,877
Defense		3
Foreign Operations	14,262	13,238
Labor, HHS, and Education	11	11
Rural Development, Agriculture	1,486	1,242
Total international	13,618	12,753
Funding for International "emergency requirements"		80
Total international with emergencies	20,748	19,371
Adjusted international discretionary spending limits	22,170	19,833
Enacted appropriations over/under (-) cap	-1,422	-462
DEFENSE APPROPRIATIONS		
Defense	269,747	275,098
Energy and Water	11,960	11,588
Military Construction	8,563	8,433
Commerce, Justice, State and Judiciary	234	194
Veterans Affairs, HUD, Independent Agencies	337	338
Dir. Emergency Supplemental Appropriations (P.L. 102-229)	13	-9
Total defense	290,874	295,643
Operation Desert Shield/Desert Storm	10,456	13,438
Total defense with Operation Desert Shield/Desert Storm	301,330	309,080
Adjusted Defense discretionary spending limits	301,717	309,238
Enacted appropriations over/under (-) cap	-387	-158

the \$1.5 billion international allowance. For defense, enacted budget authority and outlays are both below the defense discretionary caps, and therefore no sequester is required.

Status of FY 1992 discretionary appropriations.—Table 3 shows OMB scoring of

1992 appropriations bills. As in 1991, domestic discretionary outlays exceed the cap. The excess is within the available special outlay allowance, however, so no sequester to reduce outlays is required. Nevertheless, all but \$6 million of the special outlay allowance for 1992

has been used. (The total special outlay allowance for FY 1992 is \$2,500 million, but \$840 million was allocated to the use of the special BA allowance, leaving \$1,660 million available. To date, \$1,654 million has been used.)

Domestic discretionary budget authority exceeds the cap as well, but the excess is within the allowance for the technical differences between OMB and CBO. A sequester of budget authority is not required.

III. PAY-AS-YOU-GO SEQUESTRATION REPORT

Pay-as-you-go enforcement procedures apply to direct spending and receipts legislation. Direct spending is defined as budget authority provided by law other than in appropriation acts, entitlement authority, and the food stamp program. The BEA enforcement procedures specify that no receipts or direct spending legislation should result in an increase in the deficit; and if it does, it will trigger a sequester if not fully offset. Sequestration of direct spending programs would occur 15 days after Congress adjourns to end a session. Social security, the Postal Service, legislation specifically designated as "emergency requirements" according to Section 251(b)(2)(D) of the BEA, and legislation providing full funding of the Government's deposit insurance guarantee commitments are not subject to pay-as-you-go enforcement.

Within five days after the enactment of direct spending or receipts legislation, OMB is required to submit a report to Congress estimating the change in outlays or receipts resulting from that legislation for each fiscal year through 1995. The estimates must use the same economic and technical assumptions contained in the most recent President's budget. OMB must use these estimates in its final sequestration report to determine whether sequestration is required.

OMB issued 37 reports on pay-as-you-go bills enacted in the previous session of Congress. Table 4 shows OMB and CBO estimates for legislation enacted through January 3rd. OMB estimates that the net impact of this legislation is to decrease the combined 1991 and 1992 deficits by \$1.1 billion. Therefore no sequestration of direct spending programs is required for fiscal year 1992.

Comparison with CBO estimates.—The BEA requires the pay-as-you-go final sequestration report issued by OMB to explain the

differences between OMB and CBO estimates of enacted direct spending and receipts legislation. This section discusses the major differences. Additional detail is available in the separate reports issued subsequent to enactment of each bill.

CBO estimates that pay-as-you-go legislation enacted in the previous session of Congress has increased the deficits for 1991 and 1992 by a combined \$0.8 billion, while OMB estimates \$1.1 billion of savings. The \$1.9 billion difference is largely attributable to the scoring of P.L. 102-164, the Emergency Unemployment Compensation Act of 1991, and the unemployment provisions of P.L. 102-186, Termination of Application of Title IV of the Trade Act to Czechoslovakia and Hungary.

CBO's combined scoring for these two bills was a \$1.7 billion increase in the deficit. OMB scored \$0.1 billion of savings for these bills, \$1.8 billion below CBO's estimate. There are several explanations for this difference. OMB's estimate of IRS non-tax debt collections in 1992 is \$0.4 billion above CBO's estimate because of different technical assumptions about potential collections and the use of different interest rates to discount future collections. OMB also assumes that wage garnishment in the guaranteed student loan program will be more effective and raise \$0.5 billion more receipts in 1992 than CBO estimates. Different assumptions about taxpayer behavior in response to the new rules for tax estimation and the use of different taxpayer data samples caused OMB to estimate \$0.5 billion more individual estimated tax payments in 1992 than CBO. Different assumptions about the number of unemployed workers who have exhausted their regular benefits and about future rates of unemployment and benefits exhaustion explain CBO's \$0.4 billion higher estimate of the costs of the provisions expanding "reachback" bene-

fits and increasing the duration of benefit payments in certain States.

There were significant offsetting differences for three other bills. OMB's estimate of revenues from the Tax Extension Act (P.L. 102-227) was \$0.2 billion higher than CBO's. The difference is due to the use of different assumptions regarding the levels and growth of corporate profits.

Differences between the OMB and CBO estimates for the FDIC Improvement Act (P.L. 102-242) are almost entirely attributable to the provision requiring the least-cost method of case resolution. CBO assumes that no savings would result from this restriction, while OMB assumes that savings of \$0.4 billion will result from the elimination of certain cases of purchase-and-assumption transactions.

The Intermodal Surface Transportation Infrastructure Act (P.L. 102-240) provides for a proportional reduction in FY 1992 obligations provided by the Act to eliminate any increase in outlays above the FY 1992 appropriations for the same programs. Both OMB and CBO estimate that a proportional reduction was required. Due to different assumptions about spendout rates, CBO estimates that a deeper reduction in FY 1992 obligations is necessary. As a result, CBO estimates \$0.5 more outlay savings in 1992 than OMB.

Other differences in aggregate scoring are attributable to small differences in the scoring of twelve bills. For twenty-one of the thirty-eight bills enacted, OMB and CBO had no scoring differences at all.

Table 4. PAY-AS-YOU-GO-LEGISLATION ENACTED AS OF JANUARY 3, 1992
(In millions of dollars)

Report Number		Change in the baseline deficit					
		1991	1992	1993	1994	1995	1991-95
1	Tax Relief for Desert Storm Participants (H.R. 4; P.L. 102-2):						
	OMB estimate ¹	1	5	0	0	0	6
	CBO estimate ¹	1	5	0	0	0	6
2	Veterans Compensation Amendments (H.R. 3; P.L. 102-3):						
	OMB estimate	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0
3	Agent Orange Act (H.R. 556; P.L. 102-4):						
	OMB estimate	0	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0
4	Veterans Education and Employment Programs (H.R. 180; P.L. 102-16):						
	OMB estimate	-	-	-	-	-	2
	CBO estimate	2	2	2	2	1	9
5	Resolution Trust Corporation Funding Act (S.419; P.L. 102-18):						
	OMB estimate	4	0	0	0	0	4
	CBO estimate	0	0	0	0	0	0
6	Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act (S.725; P.L. 102-25):						
	OMB estimate	-	-	-	0	0	0
	CBO estimate	-	-	-	145	170	315
7	Higher Education Technical Amendments (H.R. 1285; P.L. 102-26):						
	OMB estimate	-6	-38	-	-	-	-44
	CBO estimate	3	-66	5	*	*	-48
8	Department of Veterans Affairs Health Care Personnel Act (H.R. 596; P.L. 102-40):						
	OMB estimate	*	*	-	-	-	1
	CBO estimate	*	*	-	-	-	1
9	Rehabilitation Act Amendments (H.R. 2127; P.L. 102-52):						
	OMB estimate	-	-	0	0	0	0
	CBO estimate	-	-	0	0	0	0
10	Veterans Housing Amendments (H.R. 232; P.L. 102-54):						
	OMB estimate	*	1	*	*	*	1
	CBO estimate	0	5	3	1	0	9

Table 4. PAY-AS-YOU-GO-LEGISLATION ENACTED AS OF JANUARY 3, 1992—
Continued
(In millions of dollars)

Report Number		Change in the baseline deficit					
		1991	1992	1993	1994	1995	1991-95
11	Veterans' Benefits Programs Improvement Act (H.R. 1047; P.L. 102-86):						
	OMB estimate	0	6	3	3	3	15
	CBO estimate		3	3	3	3	12
12	Intelligence Authorization Act (H.R. 1455; P.L. 102-88):						
	OMB estimate ²	*	*	*	*	*	1
	CBO estimate ²	*	*	*	*	*	1
13	Emergency Unemployment Compensation Act (H.R. 3201; P.L. 102-107):						
	OMB estimate	0	0	0	0	0	0
	CBO estimate	—	—	—	—	—	—
14	Armed Forces Immigration Adjustment Act (S. 296; P.L. 102-110):						
	OMB estimate	—	-*	*	0	0	0
	CBO estimate	—	0	0	0	0	0
15	Veterans' Educational Assistance Amendments of 1991 (S. 868; P.L. 102-127):						
	OMB estimate	—	—	2	2	2	7
	CBO estimate	—	*	*	*	10	10
16	Most-Favored-Nation Tariff Treatment for Mongolia (H.J.R. 281; P.L. 102-157):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
17	Most-Favored-Nation Tariff Treatment for Bulgaria (H.J.R. 282; P.L. 102-158):						
	OMB estimate	—	-1	-1	-2	0	-4
	CBO estimate	—	2	0	0	0	2
18	Veterans' Compensation Rate Amendments of 1991 (H.R. 1046; P.L. 102-152):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
19	Civil Rights Act of 1991 (S. 1745; P.L. 102-166):						
	OMB estimate	—	0	1	5	5	11
	CBO estimate	—	0	1	5	5	11
20	Emergency Unemployment Compensation Act of 1991 (H.R. 3575; P.L. 102-164) and Termination of Application of Title IV of the Trade Act to Czechoslovakia & Hungary (H.R. 1724; P.L. 102-182):						
	OMB estimate (two bills) ²	—	-53	-421	-406	-427	-1307
	CBO estimate (two bills) ²	—	1,747	-51	-48	-48	1,600
21	Intelligence Authorization Act, Fiscal Year 1992 (H.R. 2038; P.L. 102-183):						
	OMB estimate	—	-*	-*	-*	-*	-*
	CBO estimate	—	-*	-*	-*	-*	-*
22	National Defense Authorization Act, Fiscal Year 1992 (H.R. 2100; P.L. 102-190):						
	OMB estimate	—	-8	-21	-22	-23	-73
	CBO estimate	—	-7	-19	-19	-19	-64
23	Most-Favored-Nation Tariff Treatment for the Soviet Union (H.J.R. 346; P.L. 102-197):						
	OMB estimate	—	15	21	22	25	84
	CBO estimate	0	22	—	—	—	22
24	Patent & Trademark Office Authorization Act of 1991 (H.R. 3531; P.L. 102-204):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	0	0	0	0	0	0
25	James Madison Memorial Fellowship Foundation Amendment (H.R. 3932; P.L. 102-221):						
	OMB estimate	—	*	1	1	1	3
	CBO estimate	—	*	1	1	1	3
26	Health Education Assistance Loan Program Amendment (S. 2050; P.L. 102-222):						
	OMB estimate	—	0	0	0	0	0

Table 4. PAY-AS-YOU-GO-LEGISLATION ENACTED AS OF JANUARY 3, 1992—
Continued
(In millions of dollars)

Report Number		Change in the baseline deficit					
		1991	1992	1993	1994	1995	1991-95
	CBO estimate	—	0	0	0	0	0
27	Tax Extension Act of 1991 (H.R. 3245; P.L. 102-227):						
	OMB estimate	—	-566	-244	-5	-514	-1,329
	CBO estimate	—	-405	46	308	-170	-223
28	Chatahochee Forest Protection Act of 1991 (H.R. 3245; P.L. 102-217):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
29	San Carlos Indian Irrigation Project Divestiture Act (H.R. 1476; P.L. 102-231):						
	OMB estimate	—	10	2	2	2	15
	CBO estimate	—	-2	7	-1	-1	3
30	Miscellaneous and Technical Immigration and Naturalization Amendments of 1991 (H.R. 3049; P.L. 102-232):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
31	Resolution Trust Corporation Refinancing, Restructuring, and Improvement Act of 1991 (H.R. 3435; P.L. 102-233):						
	OMB estimate	—	35	37	10	10	92
	CBO estimate	—	25	37	42	41	145
32	Medicaid Voluntary Contributions and Provider-Specific Tax Amendments of 1991 (H.R. 3595; P.L. 102-234):						
	OMB estimate	—	0	0	0	0	0
	CBO estimate	—	0	0	0	0	0
33	Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (H.R. 3029; P.L. 102-237):						
	OMB estimate	—	4	10	12	11	37
	CBO estimate	—	-2	1	*	-1	-2
34	Amendments to the Public Health Service and Controlled Substances Acts (S. 1891; P.L. 102-239):						
	OMB estimate	—	*	*	*	*	*
	CBO estimate	—	0	0	0	0	0
35	Intermodal Surface Transportation Infrastructure Act of 1991 (H.R. 2950; P.L. 102-240):						
	OMB estimate	—	-123	-326	0	-2	-451
	CBO estimate	—	-590	-1,798	-328	0	-2,716
36	Coast Guard Authorization Act of 1991 (H.R. 1776; P.L. 102-241):						
	OMB estimate	—	*	*	*	*	1
	CBO estimate	—	*	*	*	*	1
37	Federal Deposit Insurance Improvement Act of 1991 (S. 543; P.L. 102-242):						
	OMB estimate	—	-389	-200	-100	-100	-789
	CBO estimate	—	3	0	0	-1	2
Total, legislation enacted as of January 3, 1992:							
	OMB estimate	—*	-1,095	-1,136	-476	-1,005	-3,712
	CBO estimate	—	6	752	-1,762	111	-9

*\$500,000 or less.

† Estimate of deficit impact of legislation affecting receipts.

‡ Estimate of deficit impact of legislation affecting receipts and outlays.

IV. DEFICIT SEQUESTRATION REPORT

The BEA specifies maximum deficit amounts for 1991 through 1995. These deficit amounts reflect economic and technical assumptions as of the time the BEA was enacted. For the 1992 and 1993 Budgets, the BEA requires OMB to adjust the maximum deficit amounts to reflect up-to-date economic and technical assumptions.

As specified in the BEA, the maximum deficit amounts reflect the on-budget current law levels for direct spending and receipts, and the spending limits for discretionary programs. Based on the economic and technical assumptions in the 1992 Budget, the maximum deficit amount for FY 1992 is \$371.2 billion. The estimated deficit for 1992 calculated according to BEA rules is \$369.5 billion. The estimated deficit for 1992 is below the maximum deficit amount; therefore no sequester is required.

In its final report issued on January 6, 1992, CBO estimated the maximum deficit amount for 1992 to be \$419.8 billion. The BEA requires the OMB final sequestration report to include a comparison of CBO and

OMB estimates of the maximum deficit amount for the budget year. Table 5 summarizes the differences between the OMB and CBO maximum deficit amounts. Technical differences about deposit insurance outlays and the level of receipts account for most of the difference between the OMB and CBO estimates.

The size of the difference between the OMB and CBO estimates of the maximum deficit amount for 1992 is partly caused by a requirement in the BEA that OMB use the economic and technical assumptions contained in the President's February budget. The BEA does not require CBO to use these assumptions. The OMB estimate of the 1992 maximum deficit amount is based on the economic and technical assumptions contained in the President's 1992 Budget, while CBO's estimate reflects their August 1991 assumptions. OMB will update its estimate of the maximum deficit amounts for all years in its Preview Report for 1993 using the economic and technical assumptions contained in the President's 1993 Budget.

Table 5. DIFFERENCES BETWEEN OMB
AND CBO MAXIMUM DEFICIT AMOUNTS
(In billions of dollars)

	1992
OMB maximum deficit amount	371.2
Differences between OMB and CBO:	
Economic:	
Receipts	4.6
Outlays	-1.0
Subtotal, economic	3.6
Technical:	
Receipts	12.0
Outlays:	
Deposit insurance	27.1
Medicaid	2.3
Other	3.6
Subtotal, outlays	32.9
Subtotal, technical	45.0
Total, differences	48.6
CBO maximum deficit amount	419.8