

## FUNCTION 600: INCOME SECURITY SENATE BUDGET RESOLUTION FOR 2001

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Under current law, spending for Function 600, Income Security, will total \$238.4 billion in BA and \$248 billion in outlays for 2000. This function contains: 1) major cash and in-kind means-tested entitlements; 2) general retirement, disability, and pension programs excluding Social Security and Veterans' compensation programs; 3) federal and military retirement programs; 4) unemployment compensation; 5) low-income housing programs; and 6) other low-income support programs. Function 600 is the third largest functional category after Social Security and defense. Mandatory programs account for 87 percent of total spending in this function.

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### CHAIRMAN'S MARK (\$ Billions)

	2000	2001	2002	2003	2004	2005
Budget Authority	238.9	253.2	264.8	274.8	284.9	297.7
Outlays	248.1	255.4	267.3	278.5	288.4	301.2

### Discretionary

The Chairman's mark assumes discretionary spending in this function would total \$35.4 billion in BA and \$42.1 billion in outlays for 2001. This represents increase of \$5.5 billion in BA and a decrease of -\$0.4 billion in outlays from the 2000 level.

The Chairman's mark assumes a \$600 million increase in funding for the Low Income Home Energy Assistance program in 2000. The Chairman's mark also would increase BA for the Supplemental Nutrition Program for Women, Infants, and Children by \$50 million in 2001 and each year thereafter. Finally, the mark assumes sufficient additional funding, relative to the freeze baseline, to renew annually all Section 8 contracts in place at the end of 2000.

The Chairman's mark assumes the 3.7 percent pay raise for both military and civilian employees proposed in the President's budget. In addition, the Chairman's mark assumes the repeal of a Balanced Budget Act of 1997 provision that temporarily increases federal employee retirement contributions by 0.5 percent (see revenues).

### **Mandatory used for Discretionary offsets**

The Chairman's mark assumes a freeze to the Supplemental Grants for Population Increases at the 1998 level, saving \$240 million in BA and \$25 million in outlays in 2001. The mark also assumes that Congress will change the date that states remit payments to the federal government for administering the state supplemental payment.

### **Mandatory PAYGO**

The Chairman's mark assumes mandatory increases of \$5 million in 2001 and \$5.2 billion over five years for an expansion of the Earned Income Tax Credit (EITC), as part of the Marriage Penalty Relief Act. Although changes to the EITC impact revenues, the portion of the credit that exceeds an individual's tax liability is recorded as an outlay in function 600.

The Chairman's mark also would increase the Child Care Entitlement to States by \$817 million in 2001, to \$3.4 billion.

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### COMPARISON OF CHAIRMAN'S MARK WITH PRESIDENT'S BUDGET AND SBC BASELINE (\$ Billions)

	2000	2001	2002	2003	2004	2005
<u>Chairman's Mark</u>						
Budget Authority	238.9	253.2	264.8	274.8	284.9	297.7
Outlays	248.1	255.4	267.3	278.5	288.4	301.2
<u>President's Budget</u>						
Budget Authority	240.7	258.4	268.8	279.6	291.2	305.1
Outlays	250.4	256.3	270.5	282.3	293.9	308.2
<u>SBC Baseline</u>						
Budget Authority	238.4	251.8	259.5	268.3	277.8	289.9
Outlays	248.0	255.0	265.7	274.4	279.5	291.8
<u>Mark compared to:</u>						
<u>President's Budget</u>						
Budget Authority	-1.8	-5.2	-4.0	-4.8	-6.3	-7.4
Outlays	-2.4	-0.9	-3.2	-3.9	-5.6	-7.0
<u>SBC Baseline</u>						
Budget Authority	0.5	1.5	5.4	6.5	7.2	7.7
Outlays	0.1	0.4	1.5	4.1	8.8	9.4

