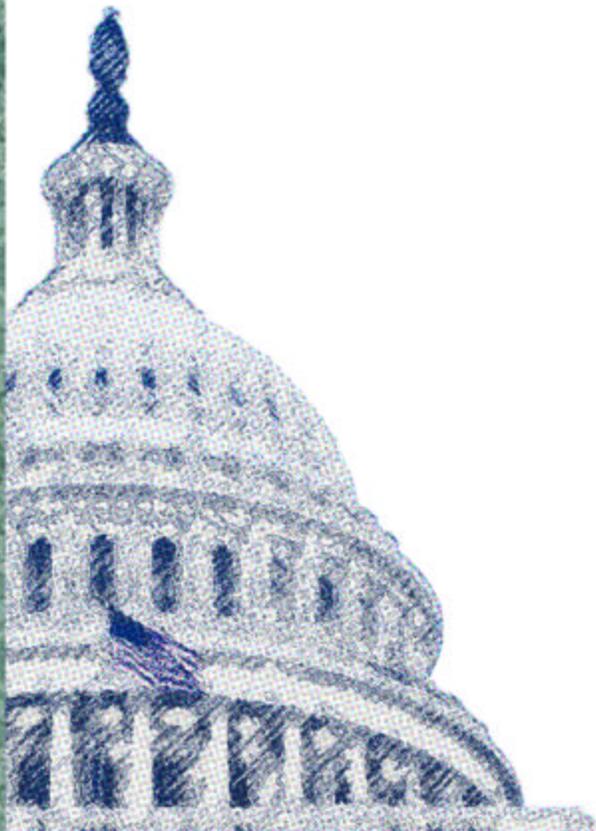


109th Congress
1st Session



Senate Budget Committee October Recess Packet



October 6, 2005
Prepared by the
Senate Budget Committee
budget.senate.gov/republican

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United States Senate

COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510-6100

October 6, 2005

Dear Republican Colleague,

As you prepare to head home for the congressional recess, I want to share with you the latest information about the budget, the deficit and the budget reconciliation process.

Hurricane devastation in the Gulf Coast region has had a sudden and dramatic impact on federal spending. The total five-year cost of hurricane-related relief enacted or passed by the Senate currently equals \$75.319 billion, and approximately \$260 billion in additional spending has been proposed.

Adding \$200 billion to the deficit for hurricane relief will cost \$100 billion in additional interest costs over the next ten years. This generation should not pass on to the next generation the cost of a catastrophic event like Hurricane Katrina, but should find fiscally responsible ways to pay for these significant expenditures.

I am working with a number of colleagues to find such viable options, and also have joined the Republican Leadership in asking that committees that received outlay reduction instructions in the FY2006 Budget Resolution contribute to the offset efforts by recommending mandatory outlay reductions above and beyond those required by the instructions. Non-reconciled committees also were asked to review policies and programs within their jurisdictions to identify savings offsets.

The final installment of the budget reconciliation process is quickly approaching. The full Senate instructed certain committees to achieve savings when we adopted the Budget Resolution. The committees instructed will report recommendations to the Senate Budget Committee on October 19th and the Budget Committee is scheduled to mark up on October 26th. In light of recent expenditures in the Gulf Coast and the long-term deficit problem that already exists, it is now more important than ever to curb the growth of entitlement spending. Now is the time to take a hard look at mandatory spending reforms for the sake of future generations.

If you have any questions regarding the information in this packet, or would like additional information on any of the topics covered, please contact my communications staff at 202-224-6011.

Sincerely,



Judd Gregg
Chairman

Total Hurricane-Related Relief Enacted or Passed by the Senate Now Totals \$75.319 Billion

Enacted or Cleared for President (\$ in billions)

<u>Legislation</u>	<u>5-Yr.Cost</u>	<u>Status</u>
Emergency Supplemental #1, H.R. 3645	10.500 ¹	Public Law 109-61
Emergency Supplemental #2, H.R. 3673	51.800 ¹	Public Law 109-62
Flood Insurance Borrowing Authority, H.R. 3669	2.000	Public Law 109-65
TANF Disaster Relief, H.R. 3672	0.294	Public Law 109-68
Pell Grant Relief, H.R. 3169	0.002	Public Law 109-66
Katrina Short-Term Tax Relief Bill, H.R. 3768	6.114 ²	Public Law 109-73
Redistribution of Campus Student Aid, H.R 3863	0.036	Passed House and Senate
TOTAL	70.746	

Passed By Senate (\$ in billions)

<u>Legislation</u>	<u>5-Yr.Cost</u>	<u>Status</u>
Sarbanes Housing Amend. to H.R. 2862	3.500	Passed Senate
Snowe Small Business Amend. to H.R. 2862	0.595	Passed Senate
Katrina Education Reimbursement Bill, S. 1764	0.260	Passed Senate
Baucus Economic Develop. Amend. to H.R. 2862	0.210	Passed Senate
Harkin Legal Services Amend. to H.R. 2862	0.008	Passed Senate
TOTAL	4.573	

Passed by House (\$ in billions)

<u>Legislation</u>	<u>5-Yr.Cost</u>	<u>Status</u>
Liability Protection for Volunteers, H.R. 3736	xx ³	Passed House

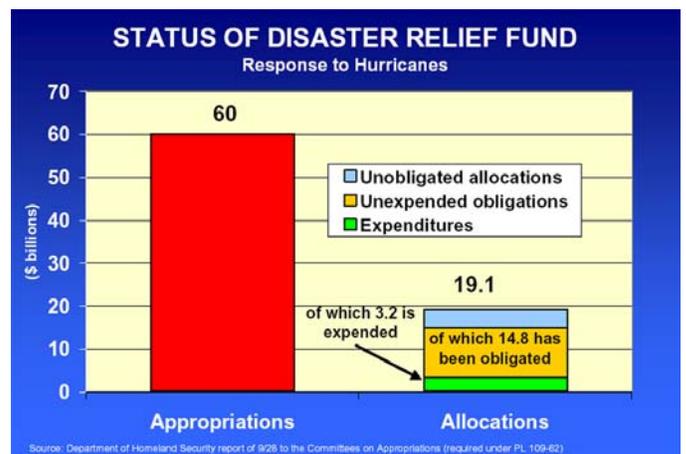
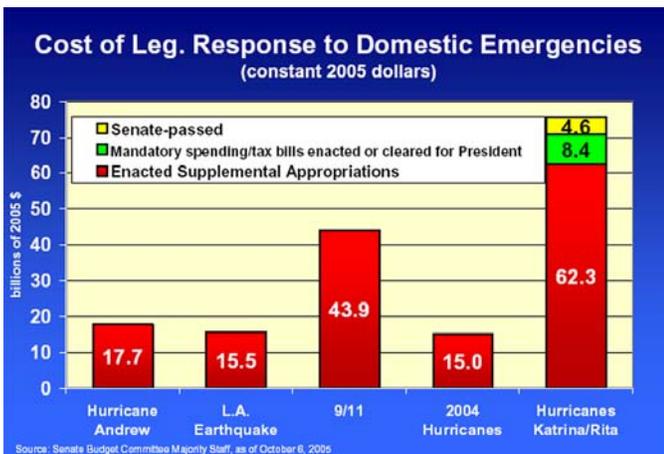
Proposed (\$ in billions)

<u>Legislation</u>	<u>5-Yr.Cost</u>	<u>Status</u>
Louisiana Katrina Reconstruction Act, S. 1766	241.200 ²	Introduced in Senate
Emergency Health Care Relief Act, S. 1716	8.895	Introduced in Senate
Highway Emergency Relief, S. 1714	2.900	Introduced in Senate
Shelter Expenses Compensation, S. 1684	0.200 ³	Introduced in Senate
Emergency Lease Requirements, S. 1708	xx ³	Introduced in Senate
Education Package, S. 1715	xx ³	Introduced in Senate
Bulk Supply Purchase Reimbursement, S. 1681	xx ³	Introduced in Senate
Business Interruption Compensation, S. 1682	xx ³	Introduced in Senate
Public Health & Insurance Emergency Bill, S. 1769	xx ³	Introduced in Senate

¹ Reflects budget authority; all outlays are not estimated to occur in 5-year window

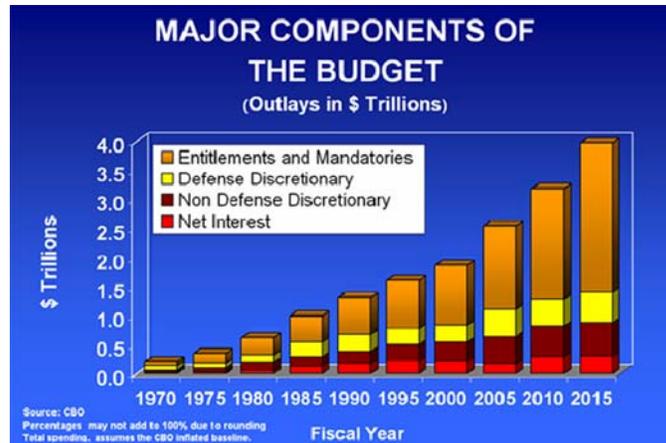
² Includes revenue and outlay effects

³ CBO score pending



Reconciliation: Congress Must Stay the Course

- ✓ The 2006 Budget Resolution set forth reconciliation instructions for savings of \$34.7 billion over a five-year period (fiscal years 2006-2010). This is the first time since 1997 that Congress has used the reconciliation process to reduce mandatory spending, which now represents more than 55% of the federal budget and is growing increasingly larger.



- ✓ Following the devastation of Hurricane Katrina and the Congress' focus on getting aid to the victims quickly, Chairman Gregg announced that Senate Budget Committee would not mark up the spending reconciliation package until October 26, 2005. The delay will not jeopardize the privileged status of the reported reconciliation bill. The House Budget Committee Chairman also announced that his committee will report the spending reconciliation submissions the week of October 24, 2005.
- ✓ In late September, Chairman Judd Gregg joined Majority Leader Frist and other members of the Republican Leadership in requesting that chairmen of committees that received outlay reduction instructions contribute to the efforts to offset Hurricane Katrina and Rita costs by recommending outlay reductions above and beyond those required by the instructions. Non-reconciled committees also were asked to review policies and programs within their jurisdictions to identify offsets.
- ✓ Reconciled committees are currently scheduling full committee meetings to consider their spending reduction reconciliation legislation, which is due to the Budget Committee prior to the October 26 mark-up.

Senate Reconciliation Savings Instructions			
Committees		Amount of Outlay Reduction Required	
Title	Senate Committees	FY 2006	FY2006-2010
I	Agriculture, Nutrition & Forestry	\$173 million	\$3 billion
II	Banking, Housing & Urban Affairs	\$30 million	\$470 million
III	Commerce, Science & Transport.	\$10 million	\$4.81 billion
IV	Energy & Natural Resources	---	\$2.4 billion
V	Environment & Public Works	\$4 million	\$27 million
VI	Finance	---	\$10 billion
VII	Health, Education, Labor, Pensions	\$1.242 billion*	\$13.651 billion
VIII	Judiciary	\$60 million	\$300 million
Total 5-yr. savings			\$34.7 billion

* can be in 2005 and/or 2006