

**FINAL SEQUESTRATION REPORT
FOR FISCAL YEAR 1991**

**A CONGRESSIONAL BUDGET OFFICE
REPORT TO THE CONGRESS
AND THE OFFICE OF MANAGEMENT AND BUDGET**

November 6, 1990

The Omnibus Budget Reconciliation Act of 1990 amended the Balanced Budget and Emergency Deficit Control Act of 1985 to add new enforcement mechanisms for entitlement spending, receipts, and discretionary spending over the next five years. A pay-as-you-go procedure for fiscal years 1992 through 1995 will ensure that new entitlement and receipt legislation does not increase the deficit. Dollar limits are placed on defense, international, and domestic discretionary appropriations for 1991 through 1993, and on total discretionary appropriations for 1994 and 1995. Any overage will be eliminated through across-the-board cuts.

The existing sequestration to enforce maximum deficit amounts has been extended through 1995, but the President is required to adjust these amounts for revised economic and technical assumptions when submitting the budget for fiscal years 1992 and 1993. The President also has the option to make similar adjustments to the targets in the budgets for 1994 and 1995. Compliance with the discretionary spending limits and the pay-as-you-go requirements in 1992 and 1993 will assure that there will be no need for overall sequestration to achieve the maximum deficit amounts in those years. The same will be true in 1994 and 1995 if the President opts to adjust the maximum deficit amounts in the budgets for those years.

The Omnibus Budget Reconciliation Act of 1990 rescinded the sequestration order for fiscal year 1991 issued by the President on October 15, 1990. The only sequestration that now applies to 1991 is to eliminate any breach in the limits for defense, international, or domestic discretionary appropriations. The new enforcement procedures require the Congressional Budget Office (CBO) to issue an estimate of the budget authority and outlays provided by a discretionary appropriation as soon as practicable after the Congress com-

pletes action on the bill. The law also requires CBO to issue a final sequestration report 10 days after the end of a Congressional session. If the budget authority or outlays provided for one or more categories of discretionary spending breaches the applicable limits, the report must set forth estimates of the amount of budgetary resources to be sequestered to eliminate the breach.

Table 1 presents CBO's estimates of the amount of discretionary new budget authority and total outlays for fiscal year 1991 provided by each of the 13 appropriation bills cleared by the Congress. The amounts provided are divided among the defense, international, and domestic discretionary categories using the listing of accounts contained in the joint explanatory statement accompanying the 1990 reconciliation bill.

Table 2 shows CBO's estimates of the applicable discretionary spending limits. The dollar amounts have been adjusted for Internal Revenue Service funding, debt forgiveness, and emergency appropriations for Operation Desert Shield, as provided in Section 251(b) of the amended Balanced Budget Act.

Table 2 also compares the actual appropriations with the adjusted spending limits. Defense and domestic discretionary spending are below their respective limits. International discretionary appropriations, however, breach the limits by \$395 million in budget authority and \$8 million in outlays. According to the House and Senate Appropriations Committees, the overages in the international category stem from a drafting error in the foreign operations appropriation bill. The language of the conference agreement for the foreign military financing account does not correspond to the intended amount shown in the comparative statement of budget authority (as provided to CBO by the Appropriations Committees).

The total amount of new discretionary budget authority provided in the international category is \$20,495 million. The corresponding limit is \$20,100 million. Eliminating the \$395 million breach requires an across-the-board reduction of 1.9 percent in budget authority and other discretionary budgetary resources. A 1.9 percent reduction will cut outlays by \$195 million, which will more than eliminate the outlay breach of \$8 million. The appendix provides a list of the sequestration

base and reductions for international discretionary spending by agency, budget account, and type of spending authority.

The Office of Management and Budget (OMB) is required to make its own estimates of discretionary appropriations for fiscal year 1991 and its own determination of any breaches in the spending limits. The OMB report is due 15 days after the end of the Congressional session. On the same day, if OMB finds a breach in the spending limits for any category, the President will issue a sequestration order imposing across-the-board cuts in that category sufficient to bring spending down to the established limits.

TABLE 1. CBO ESTIMATE OF DISCRETIONARY BUDGET AUTHORITY AND OUTLAYS FOR FISCAL YEAR 1991 BY APPROPRIATION BILL AND CATEGORY
(In millions of dollars)

Appropriation Bill	Defense	International	Domestic	Total
Commerce, Justice, State, the Judiciary, and Related Agencies (H.R. 5021)				
Budget authority	225	4,358	13,895	18,478
Outlays	166	4,599	14,050	18,815
Department of Defense (H.R. 5803)				
Budget authority	269,023 ^a	0	0	269,023
Outlays	278,623 ^a	0	0	278,623
District of Columbia (H.R. 5311)				
Budget authority	0	0	568	568
Outlays	0	0	568	568
Energy and Water Development (H.R. 5019)				
Budget authority	10,925	0	9,350	20,275
Outlays	10,374	0	9,075	19,448
Foreign Operations, Export Financing, and Related Programs (H.R. 5114)				
Budget authority	0	15,118 ^b	0	15,118
Outlays	0	13,054 ^b	0	13,054
Department of the Interior and Related Agencies (H.R. 5769)				
Budget authority	0	0	12,700	12,700
Outlays	0	0	11,932	11,932
Labor, Health and Human Services, Education, and Related Agencies (H.R. 5257)				
Budget authority	0	8	50,076	50,085
Outlays	0	8	53,525	53,533
Legislative Branch (H.R. 5399)				
Budget authority	0	0	2,167	2,167
Outlays	0	0	2,114	2,114
Military Construction (H.R. 5313)				
Budget authority	8,364	0	0	8,364
Outlays	8,685	0	0	8,685

(Continued)

TABLE 1. Continued

Appropriation Bill	Defense	International	Domestic	Total
Rural Development, Agriculture, and Related Agencies (H.R. 5268)				
Budget authority	0	1,011	8,875	9,886
Outlays	0	1,053	8,416	9,469
Department of Transportation and Related Agencies (H.R. 5229)				
Budget authority	0	0	12,499	12,499
Outlays	0	0	29,186	29,186
Treasury, Postal Service, and General Government (H.R. 5241)				
Budget authority	0	0	11,662 ^c	11,662
Outlays	0	0	10,483 ^c	10,483
Veterans Affairs, Housing and Urban Development, and Independent Agencies (H.R. 5158)				
Budget authority	341	0	60,399	60,740
Outlays	345	0	58,465	58,811
Total Appropriations				
Budget authority	288,879 ^a	20,495 ^b	182,192 ^c	491,565
Outlays	298,194 ^a	18,715 ^b	197,814 ^c	514,722

SOURCE: Congressional Budget Office.

NOTES: Amounts shown here represent the 1991 regular appropriation bill, 1991 appropriations advanced in previous years, and outlays from prior-year appropriations.

Detail may not add to totals because of rounding.

- a. Includes \$1,000 million in budget authority and \$1,164 million in outlays for Operation Desert Shield (including \$388 million in prior-year outlays).
- b. Includes \$100 million in outlays for debt forgiveness for Egypt and Poland and \$7 million in prior-year outlays for Operation Desert Shield. The CBO estimate for the foreign operations appropriation bill (H.R. 5114) exceeds the amount in the comparative statement of budget authority provided to CBO by \$403.5 million in budget authority and \$15.7 million in outlays. According to the House and Senate Committees on Appropriations, the difference is the result of a drafting error in the conference agreement for the foreign military financing account.
- c. Includes \$191 million in budget authority and \$183 million in outlays for Internal Revenue Service funding above the June 1990 baseline.

TABLE 2. CBO ESTIMATE OF DISCRETIONARY BUDGET AUTHORITY AND OUTLAYS FOR FISCAL YEAR 1991 COMPARED WITH DISCRETIONARY SPENDING LIMITS BY CATEGORY (In millions of dollars)

Appropriation Bill	Defense	International	Domestic	Total
Discretionary Spending Limits				
Budget authority	288,918	20,100	182,700	491,718
Outlays	297,660	18,600	198,100	514,360
Adjustments to Spending Limits				
Operation Desert Shield				
Budget authority	1,000	0	0	1,000
Outlays	1,164	7	0	1,171
Debt forgiveness for Egypt and Poland				
Budget authority	0	0	0	0
Outlays	0	100	0	100
Internal Revenue Service funding above the June 1990 baseline				
Budget authority	0	0	191	191
Outlays	0	0	183	183
Total adjusted discretionary spending limits				
Budget authority	289,918	20,100	182,891	492,909
Outlays	298,824	18,707	198,283	515,814
Total 1991 Appropriations				
Budget authority	288,879	20,495	182,192	491,565
Outlays	298,194	18,715	197,814	514,722
Appropriations Over or Under (-) Spending Limits				
Budget authority	-1,039	395 ^a	-699	-1,344
Outlays	-630	8 ^a	-469	-1,092

SOURCE: Congressional Budget Office.

a. The breaches of the discretionary spending limits for the international category, according to the House and Senate Committees on Appropriations, result from a drafting error in the foreign operations appropriation bill (H.R. 5114).

APPENDIX

**SEQUESTRATION REDUCTIONS
FOR INTERNATIONAL DISCRETIONARY PROGRAMS
BY AGENCY AND BUDGET ACCOUNT
(Fiscal year 1991, in thousands of dollars)**

Funds Appropriated to the President

International Security Assistance

Peacekeeping operations		
11 1032 0 1 152		
Budget Authority	32,800	623
Outlays	32,800	623
Economic support fund		
11 1037 0 1 152		
Budget Authority	3,145,000	59,755
Outlays	1,751,285	33,275
International military education and training		
11 1081 0 1 152		
Budget Authority	47,196	897
Outlays	23,598	448
Foreign military financing		
11 1082 0 1 152		
Budget Authority	5,111,921	97,126
Direct Loan Limitation	403,500	7,667
Outlays	1,793,917	34,084

Multilateral Assistance

Contribution to the Inter-American Development Bank		
11 0072 0 1 151		
Budget Authority	91,299	1,735
Outlays	13,417	255
Contribution to the International Development Association		
11 0073 0 1 151		
Budget Authority	1,064,150	20,219
Outlays	106,415	2,022
Contribution to the Asian Development Bank		
11 0076 0 1 151		
Budget Authority	126,854	2,410
Contribution to the International Bank for Reconstruction and Development		
11 0077 0 1 151		
Budget Authority	110,592	2,101
Outlays	11,059	210
Contribution to the International Finance Corporation		
11 0078 0 1 151		
Budget Authority	40,331	766
Contribution to the African Development Fund		
11 0079 0 1 151		
Budget Authority	105,452	2,004
Contribution to the African Development Bank		
11 0082 0 1 151		
Budget Authority	10,136	193
Outlays	10,136	193
European Bank for Reconstruction and Development		
11 0088 0 1 151		
Budget Authority	70,021	1,330
Outlays	35,010	665
International organizations and programs		
11 1005 0 1 151		
Budget Authority	294,730	5,600
Outlays	179,752	3,415

Agency for International Development

Operating expenses Agency for International Development		
11 1000 0 1 151		
Budget Authority	435,000	8,265
Outlays	326,250	6,199
Operating expenses of the Agency for International Development, Office o		
11 1007 0 1 151		
Budget Authority	33,884	644
Outlays	25,413	483
American schools and hospitals abroad		
11 1013 0 1 151		
Budget Authority	29,500	561
Outlays	9,822	186
Sub-Saharan Africa development assistance		
11 1014 0 1 151		
Budget Authority	800,000	15,200
Outlays	68,000	1,292

Functional development assistance program		
11 1021 0 1 151		
Budget Authority	1,296,683	24,637
Outlays	110,218	2,094
International disaster assistance		
11 1035 0 1 151		
Budget Authority	40,000	760
Outlays	9,920	188
Special assistance initiatives		
11 1042 0 1 151		
Budget Authority	529,675	10,064
Outlays	124,055	2,357
Housing and other credit guaranty programs		
72 4340 0 3 151		
Guarntd. Loan Limitation	400,000	7,600
Private sector revolving fund		
72 4341 0 3 151		
Direct Loan Limitation	15,000	285
Guarntd. Loan Limitation	114,000	2,166
Outlays	1,275	24

Trade and Development Program

Trade and development program		
11 1001 0 1 151		
Budget Authority	35,000	665
Outlays	7,245	138

Peace Corps

Peace Corps		
11 0100 0 1 151		
Budget Authority	186,000	3,534
Outlays	152,706	2,901

Overseas Private Investment Corporation

Overseas Private Investment Corporation		
71 4030 0 3 151		
Direct Loan Limitation	40,000	760
Guarntd. Loan Limitation	250,000	4,750
Outlays	4,280	81

Inter-American Foundation

Inter-American Foundation		
11 4031 0 3 151		
Budget Authority	25,000	475
Outlays	10,000	190

African Development Foundation

African Development Foundation		
11 0700 0 1 151		
Budget Authority	13,000	247
Outlays	7,150	136

International Monetary Programs

Contribution to enhanced structural adjustments facility of the internat		
11 0005 0 1 155		
Budget Authority	10,602	201

Military Sales Programs

Special defense acquisition fund		
11 4116 0 3 155		
Obligation Limitation	350,000	6,650
Outlays	3,500	67

TOTAL FOR FUNDS APPROPRIATED TO THE PRESIDENT

Budget Authority	13,684,826	260,012
Direct Loan Limitation	458,500	8,712
Guarntd. Loan Limitation	764,000	14,516
Obligation Limitation	350,000	6,650
Outlays	4,817,223	91,526

Department of Agriculture

Foreign Assistance Programs

Expenses, Public Law 480, foreign assistance programs, Agriculture		
12 2274 0 1 151		
Budget Authority	1,010,853	19,206
Direct Loan Limitation	806,400	15,322
Obligation Limitation	1,576,000	29,944
Outlays	1,434,159	27,249

AGENCY, BUREAU, AND ACCOUNT TITLE	BASE	SEQUESTER
TOTAL FOR DEPARTMENT OF AGRICULTURE		
Budget Authority	1,010,853	19,206
Direct Loan Limitation	806,400	15,322
Obligation Limitation	1,576,000	29,944
Outlays	1,434,159	27,249

Department of Justice

Legal Activities

Salaries and expenses, Foreign Claims Settlement Commission		
15 0100 0 1 153		
Budget Authority	640	12
Outlays	512	10
TOTAL FOR DEPARTMENT OF JUSTICE		
Budget Authority	640	12
Outlays	512	10

Department of State

Administration of Foreign Affairs

Salaries and expenses		
19 0113 0 1 153		
Budget Authority	1,861,545	35,369
Outlays	1,526,463	29,003
Protection of foreign missions and officials		
19 0520 0 1 153		
Budget Authority	9,100	173
Outlays	3,640	69
Emergencies in the diplomatic and consular service		
19 0522 0 1 153		
Budget Authority	4,888	93
Outlays	3,422	65
Payment to the American Institute in Taiwan		
19 0523 0 1 153		
Budget Authority	11,752	223
Outlays	6,464	123
Office of the Inspector General		
19 0529 0 1 153		
Budget Authority	21,840	415
Outlays	17,909	340
Acquisition and maintenance of buildings abroad		
19 0535 0 1 153		
Budget Authority	227,656	4,325
Outlays	45,531	865
Representation allowances		
19 0545 0 1 153		
Budget Authority	4,600	87
Outlays	3,956	75
International Organizations and Conferences		
Contributions for international peacekeeping activities		
19 1124 0 1 153		
Budget Authority	115,000	2,185
Outlays	115,000	2,185
International conferences and contingencies		
19 1125 0 1 153		
Budget Authority	7,350	140
Outlays	3,675	69
Contributions to international organizations		
19 1126 0 1 153		
Budget Authority	787,605	14,965
Outlays	752,861	14,305
Other		
United States emergency refugee and migration assistance fund		
11 0040 0 1 151		
Budget Authority	35,000	665
Outlays	25,480	484
International narcotics control		
11 1022 0 1 151		
Budget Authority	150,000	2,850
Outlays	52,800	1,003
Anti-terrorism assistance		
19 0114 0 1 152		
Budget Authority	12,026	228
Outlays	7,817	149

AGENCY, BUREAU, AND ACCOUNT TITLE	BASE	SEQUESTER
Soviet-East European research and training		
19 0118 0 1 153		
Budget Authority	4,600	87
Outlays	460	9
Payment to the Asia Foundation		
19 0525 0 1 154		
Budget Authority	13,978	266
Outlays	11,881	226
Migration and refugee assistance		
19 1143 0 1 151		
Budget Authority	485,648	9,227
Outlays	353,552	6,717
U.S. bilateral science and technology agreements		
19 1151 0 1 153		
Budget Authority	4,500	86
Outlays	4,500	86
TOTAL FOR DEPARTMENT OF STATE		
Budget Authority	3,757,088	71,384
Outlays	2,935,411	55,773

Other Independent Agencies

Arms Control and Disarmament Agency

Arms control and disarmament activities		
94 0100 0 1 153		
Budget Authority	37,040	704
Outlays	24,817	472

Board for International Broadcasting

Grants and expenses		
95 1145 0 1 154		
Budget Authority	197,750	3,757
Outlays	189,840	3,607
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	234,790	4,461
Outlays	214,657	4,079

Other Independent Agencies

Commission for the Preservation of America's Heritage Abroad

Salaries and expenses		
95 3700 0 1 153		
Budget Authority	200	4
Outlays	200	4
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	200	4
Outlays	200	4

Other Independent Agencies

Export-Import Bank of the United States

Export-Import Bank of the United States		
83 4027 0 3 155		
Budget Authority	750,000	14,250
Direct Loan Limitation	750,000	14,250
Guarntd. Loan Limitation	10,599,064	201,382
Obligation Limitation	23,171	440
Outlays	134,311	2,551
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	750,000	14,250
Direct Loan Limitation	750,000	14,250
Guarntd. Loan Limitation	10,599,064	201,382
Obligation Limitation	23,171	440
Outlays	134,311	2,551

Other Independent Agencies

International Trade Commission

Salaries and expenses		
34 0100 0 1 153		
Budget Authority	40,299	766
Outlays	35,056	666
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	40,299	766
Outlays	35,056	666

AGENCY, BUREAU, AND ACCOUNT TITLE	BASE	SEQUESTER
Other Independent Agencies		
Japan-United States Friendship Commission		
Japan-United States friendship trust fund		
95 8025 0 7 154		
Budget Authority	1,250	24
Outlays	1,250	24
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	1,250	24
Outlays	1,250	24

AGENCY, BUREAU, AND ACCOUNT TITLE	BASE	SEQUESTER
Other Independent Agencies		
United States Information Agency		
Salaries and expenses		
67 0201 0 1 154		
Budget Authority	652,757	12,402
Outlays	522,205	9,922
East West Center		
67 0202 0 1 154		
Budget Authority	23,000	437
Outlays	22,310	424
Radio construction		
67 0204 0 1 154		
Budget Authority	107,237	2,038
Outlays	16,933	322
Radio broadcasting to Cuba		
67 0208 0 1 154		
Budget Authority	31,069	590
Outlays	13,076	248
Educational and cultural exchange programs		
67 0209 0 1 154		
Budget Authority	163,151	3,100
Outlays	78,296	1,488

AGENCY, BUREAU, AND ACCOUNT TITLE	BASE	SEQUESTER
National Endowment for Democracy		
67 0210 0 1 154		
Budget Authority	25,000	475
Outlays	11,250	214
Office of the Inspector General		
67 0300 0 1 154		
Budget Authority	4,023	76
Outlays	3,218	61
United States Institute of Peace		
Operating expenses		
95 1300 0 1 153		
Budget Authority	8,393	159
Outlays	7,553	144
TOTAL FOR OTHER INDEPENDENT AGENCIES		
Budget Authority	1,014,630	19,277
Outlays	674,841	12,823

REPORT TOTAL

Budget Authority	20,494,576	389,396
Budget Auth--Spec. Rules	0	0
401(C) Authority	0	0
401(C) Auth--Off. Coll.	0	0
401(C) Other--incl ob lim	0	0
401(C) Auth--Spec. Rules	0	0
Direct Loan Limitation	2,014,900	38,284
Direct Loan Floor	0	0
Guarntd. Loan Limitation	11,363,064	215,898
Guaranteed Loan Floor	0	0
Obligation Limitation	1,949,171	37,034
Unobligated Bal--Defense	0	0
Outlays	10,247,620	194,705