

CRS Report for Congress

Received through the CRS Web

The 0.38 Percent Across-the-Board Cut in FY2000 Appropriations

February 25, 2000

Robert Keith
Specialist in American National Government
Government and Finance Division

ABSTRACT

As the federal budget process for FY2000 unfolded in 1999, Congress and the President used various budgetary devices and techniques in order to avoid exceeding the discretionary spending limits, which would have triggered automatic spending cuts under a sequester. One of the devices was the inclusion of a 0.38% across-the-board cut in the Consolidated Appropriations Act for FY2000 (P.L. 106-113; H.R. 3194). According to OMB estimates, the 0.38% cut was expected to yield savings of \$2.4 billion in budget authority and \$1.4 billion in outlays for the fiscal year.

A report regarding the implementation of the cut was submitted to Congress on February 7, 2000, in the *Analytical Perspectives* volume of the President's budget. According to the report, a total of \$2,356,909,000 in discretionary budget authority was rescinded in 492 accounts. The largest share of the cuts, amounting to \$1.055 billion and involving 70 accounts, was allocated to military activities of the Department of Defense. The other departments with cuts in excess of \$100 million included the Departments of Transportation (\$179.6 million), Health and Human Services (\$166.8 million), and Education (\$108.6 million).

This report will not be updated.

The 0.38 Percent Across-the-Board Cut in FY2000 Appropriations

Summary

As the federal budget process for FY2000 unfolded in 1999, Congress and the President used various budgetary devices and techniques in order to avoid exceeding the discretionary spending limits, which would have triggered automatic spending cuts under a sequester, and “using” the Social Security surplus. These devices included emergency spending designations, advance appropriations, and rescissions, among others. According to the Office of Management and Budget (OMB), the adjustments and savings from these devices amounted to tens of billions of dollars and averted the need for a sequester; discretionary spending enacted for FY2000 was \$1.6 billion under the budget authority limit and \$3.5 billion under the outlay limit.

One of the devices used to prevent the violation of the discretionary spending limits was the inclusion of a 0.38% across-the-board cut in the Consolidated Appropriations Act for FY2000 (P.L. 106-113; H.R. 3194). According to OMB estimates, the 0.38% cut was expected to yield savings of \$2.4 billion in budget authority and \$1.4 billion in outlays for the fiscal year. Without the enactment of the cut or comparable offsets, the limit for discretionary budget authority would have been exceeded by about \$0.8 billion and a sequester would have occurred.

House and Senate interest in an across-the-board spending cut encompassed several different annual appropriations measures and evolved from a sense-of-the-Senate statement (offered to S. 1650), to a 0.97% cut (in H.R. 3064), and finally to the 0.38% cut. In fashioning the 0.38% spending cut, Congress included several important features: (1) reductions made pursuant to the provision were to take the form of rescissions of FY2000 budget authority; (2) the required spending cuts were to be applied only to the total *discretionary* budget authority made available to each department and agency, not to any *mandatory* resources; (3) reductions were to be applied uniformly to each account for the Department of Defense (and the defense activities of the Department of Energy), except that no reductions were to be made in military personnel accounts; (4) with regard to nondefense activities, there was no stated requirement that reductions be applied uniformly to each department’s or agency’s accounts, but there was a requirement that no “program, project, or activity” within an account be reduced by more than 15 percent; and (5) the OMB director was instructed to include in the President’s budget for FY2001 a report specifying the reductions made to each account under the requirement.

The report required of the OMB director was submitted to Congress on February 7, 2000, in the *Analytical Perspectives* volume of the President’s budget. According to the report, a total of \$2,356,909,000 in discretionary budget authority was rescinded in 492 accounts, including \$9.7 million for the legislative branch and \$14.0 million for the judicial branch. The largest share of the cuts, amounting to \$1.055 billion and involving 70 accounts, was allocated to military activities of the Department of Defense. The other departments with cuts in excess of \$100 million included the Departments of Transportation (\$179.6 million), Health and Human Services (\$166.8 million), and Education (\$108.6 million).

Contents

Background	1
Legislative Action on Across-the-Board Cut Proposals	2
S. 1650	2
H.R. 3064	3
H.R. 3194 (P.L. 106-113)	5
Design and Implementation of the 0.38 Percent Cut	8

List of Boxes

Box 1. FY2000 Across-the-Board Cut of 0.97 Percent	4
Box 2. FY2000 Across-the-Board Cut of 0.38 Percent	6

List of Tables

Table 1. Summary of FY2000 Rescissions Made Under the Requirement for a 0.38 Percent Cut	10
---	----

The 0.38 Percent Across-the-Board Cut in FY2000 Appropriations

Background

As the federal budget process for FY2000 unfolded in 1999, during the first session of the 106th Congress, a policy emerged of keeping the level of discretionary spending (*i.e.*, spending controlled through the annual appropriations process) within the statutory limits while at the same time not “using” the Social Security surplus (*i.e.*, incurring an on-budget deficit).¹

One of the purposes in adhering to the discretionary spending limits was to avoid a sequester at the end of the session.² A sequester involves automatic, largely across-the-board reductions in discretionary spending in order to eliminate any breach of the limits. (A separate sequestration process entails automatic reductions in mandatory spending if the enactment of revenue or mandatory spending measures causes a violation of a “pay-as-you-go” requirement.) Under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the director of the Office of Management and Budget (OMB) is charged with determining within 15 days after the close of a congressional session whether a sequester of either kind is required for the fiscal year.

In order to enhance its efforts in trying to stay within the discretionary spending limits, Congress and the President used various budgetary devices and techniques, including emergency spending designations, advance appropriations, rescissions, offsets in mandatory programs, obligation and payment delays, and directed scoring.³ These devices either resulted in upward adjustments in the limits, as was the case with the emergency spending designations, or were counted as savings for the fiscal year. According to OMB, the adjustments and savings from these devices amounted to tens of billions of dollars and averted the need for a sequester; in the aggregate,

¹ This issue is discussed in more depth in: U.S. Library of Congress, Congressional Research Service, *Discretionary Spending Limits and the Social Security Surplus*, by Robert Keith, CRS Report RL30353 (Washington: October 27, 1999), 8 pages.

² This process is discussed in detail in: U.S. Library of Congress, Congressional Research Service, *The Sequestration Process and Across-the-Board Spending Cuts for FY2000*, by Robert Keith, CRS Report RL30363 (Washington: November 5, 1999), 16 pages.

³ These budgetary devices and techniques are discussed in: (1) U.S. Congressional Budget Office, *The Economic and Budget Outlook: Fiscal Years 2001-2010* (Washington: January 2000), pages 76-77; and (2) U.S. Executive Office of the President, Office of Management and Budget, *OMB Final Sequestration Report to the President and Congress for Fiscal Year 2000* (Washington: January 25, 2000), see especially Table 2 on pages 4-6.

discretionary spending enacted for FY2000 was \$1.6 billion under the budget authority limit and \$3.5 billion under the outlay limit.⁴

The Congressional Budget Office also issues sequestration estimates, but they are advisory only; only the determinations made by the OMB director can trigger a sequester. For FY2000, CBO indicated that discretionary spending exceeded the limits by \$6.7 billion in budget authority and \$15.2 billion in outlays, which would have necessitated an across-the-board cut of about four percent.⁵

One of the devices used to prevent the violation of the discretionary spending limits that garnered public attention was the inclusion of a 0.38% cut across-the-board in the omnibus appropriations act used to wrap up consideration of the regular appropriations acts for FY2000. According to estimates made by OMB following the measure's enactment, the 0.38% cut was expected to yield savings of \$2.351 billion in budget authority and \$1.356 billion in outlays for the fiscal year (the final OMB estimate of the savings in budget authority was increased to \$2.357 billion). Without the enactment of the 0.38% cut, and absent any comparable offsets, the limit for discretionary budget authority would have been exceeded by about \$0.8 billion and a sequester would have occurred.

Legislative Action on Across-the-Board Cut Proposals

House and Senate interest in an across-the-board spending cut surfaced relatively late in the session, after much of the annual appropriations process had been completed. Legislative action on across-the-board cut proposals encompassed several different annual appropriations measures, beginning with S. 1650 and including H.R. 3064 and H.R. 3194. The formulation of the proposal evolved through the different stages of legislative action, from a sense-of-the-Senate statement, to a 0.97% cut, and finally to a 0.38% cut.

S. 1650. On September 29, 1999, the Senate began consideration of S. 1650, its initial version of the Labor-HHS-Education Appropriations Act for FY2000. On October 1, Senator Don Nickles, the assistant majority leader, offered an amendment (numbered 1851) to the bill stating the sense of the Senate that an across-the-board cut in appropriations should be adopted, if necessary, to avoid incurring an on-budget deficit. On October 6, he offered a further amendment (numbered 1889) to his underlying amendment. Amendment numbered 1889 was similar to the underlying amendment and focused on "protecting Social Security surpluses," stating the sense of the Senate that

Congress should ensure that the fiscal year 2000 appropriations measures do not result in an on-budget deficit (excluding the surpluses generated by the Social

⁴ *OMB Final Sequestration Report, ibid.*, Table 6, pages 13-14.

⁵ U.S. Congressional Budget Office, *Final Sequestration Report for Fiscal Year 2000* (Washington: December 2, 1999), page 1.

Security trust funds) by adopting an across-the-board reduction in all discretionary appropriations sufficient to eliminate such deficit if necessary.⁶

In describing his amendments, Senator Nickles indicated that an across-the-board cut of 1% of discretionary appropriations might be needed to eliminate an estimated overage of about \$5 billion; other Senators provided estimates that the overage might be much larger and that a cut of 5.5% might be needed. On October 6, the Senate adopted amendment numbered 1889 by a vote of 54-46. After tabling another amendment dealing with the issue, offered by Senator Frank Lautenberg, Senator Nickles withdrew his underlying amendment. The Senate passed the bill the next day without an across-the-board cut provision.

H.R. 3064. Following a veto by President Clinton on September 28 of the first District of Columbia Appropriations Act for FY2000, the House and Senate developed a second version, H.R. 3064, which also included the Labor-HHS-Education appropriations for FY2000. The conferees on the measure inserted an across-the-board cut provision in Section 1001 of Division C of the act (see **Box 1**). The House agreed to the conference report on the measure on October 28 by a vote of 218-211; the Senate agreed to it on November 2 by a vote of 49-48.

Unlike the language that the Senate had considered earlier, Section 1001 set in place the requirement for a specific cut in discretionary appropriations—0.97% of the total provided for each account. The section also provided that the pay of Members of Congress, a permanent rather than an annual appropriation, would be subject to the cut. (Under the sequestration process, the pay of Members of Congress is not subject to reduction.)

Senator Ted Stevens, chairman of the Senate Appropriations Committee, described the provision as a placeholder—in the face of a certain veto—until the final necessary reductions could be negotiated with the Clinton Administration:

We have included ... against my best wishes, an across-the-board cut. That is primarily because only the administration can identify some of the areas we can reduce safely without harming the programs, and I am confident when we come to what we call the final period to devise a bill, we will work out with the administration some offsets that will take care of the bill. I am hopeful we will have no across-the-board cut, but if it comes, it will not be as large as the one in this bill right now.⁷

⁶ The text of amendments number 1851 and 1889, and the accompanying remarks of Senator Nickles, are found in the *Congressional Record* of October 1, 1999 (No. 131) at pages S11774-80 and page S 11808.

⁷ See the remarks of Senator Ted Stevens in the *Congressional Record* of November 2, 1999 (No. 152), at page S13623.

**Box 1. FY2000 Across-the-Board Cut of 0.97 Percent
(Section 1001 of H.R. 3064)**

Sec. 1001. (a) Across-the-Board Rescissions.—There is hereby rescinded an amount equal to 0.97 percent of—

(1) the budget authority provided (or obligation limitation established) for fiscal year 2000 for any discretionary account in any fiscal year 2000 appropriation law;

(2) the budget authority provided (or obligation limitation established) in any advance appropriation for fiscal year 2000 for any discretionary account in any prior fiscal year appropriation law; and

(3) the budget authority provided in any fiscal year 2000 appropriation law that would have been estimated as increasing direct spending for fiscal year 2000 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 were it included in a law other than an appropriation law and not designated as an emergency requirement.

(b) Proportionate Application.—Any rescission made by subsection (a) shall be applied proportionately—

(1) to each discretionary account and each item of budget authority described in subsection (a)(3); and

(2) within each such account and item, to each program, project, and activity (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering such account or item, or for accounts and items not included in appropriation Acts, as delineated in the most recently submitted President's budget).

(c) Subsequent Appropriation Laws.—In the case of any fiscal year 2000 appropriation law enacted after the enactment of this section, any rescission required by subsection (a) shall take effect immediately after the enactment of such law.

(d) OMB Reports.—Within 30 days after the date of the enactment of this section (or, if later, 30 days after the date of the enactment of any fiscal year 2000 appropriation law), the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a report specifying the amount of each rescission made pursuant to this section.

(e) Same Percentage Reduction Applicable to Pay For Members of Congress.—

(1) In General—In determining rates of pay for service performed in any fiscal year beginning after September 30, 1999, the rate of pay for a Member of Congress shall be determined as if the fiscal year 2000 pay adjustment (taking effect in January 2000) had resulted in a rate equal to—

(A) the rate of pay that would otherwise have taken effect for the position involved beginning in January 2000 (if this section had not been enacted), reduced by

(B) the same percentage as specified in subsection (a).

(2) Definitions—For purposes of this subsection—

(A) the term 'Member of Congress' refers to any position under subparagraph (A), (B), or (C) of section 601(a)(1) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(1)(A)-(C)); and

(B) the term 'fiscal year 2000 pay adjustment' means the adjustment in rates of pay scheduled to take effect in fiscal year 2000 under section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)).

President Clinton vetoed H.R. 3064 on November 3.⁸ In his veto message to Congress, he stated:

I am vetoing H.R. 3064 because the bill, including the offsets section, is deeply flawed. It includes a misguided 0.97 percent across-the-board reduction that will hurt everything from national defense to education and environmental programs ... The bill is clearly unacceptable. I have submitted a budget that would fund these priorities without spending the Social Security surplus, and I am committed to working with the Congress to identify acceptable offsets for additional spending for programs that are important to all Americans.

H.R. 3194 (P.L. 106-113). The House's third version of a measure providing FY2000 appropriations for the District of Columbia, H.R. 3194, became, in conference, a vehicle for four additional regular appropriations acts and several legislative measures. In addition to dramatically expanding the scope of H.R. 3194, the conferees changed its title to the Consolidated Appropriations Act for FY2000.⁹

The House adopted the conference report on November 18, 1999, by a vote of 296-135; the Senate adopted it the next day by a vote of 74-24. President Clinton signed the measure into law on November 29 as P.L. 106-113 (113 *Stat.* 1501-1537).¹⁰

P.L. 106-113 is divided into two parts. Division A sets forth the full text of the FY2000 appropriations for the District of Columbia. Division B provides appropriations for the remaining four regular appropriations acts (in Section 1000(a)). Instead of including the full text of each act, however, the subsection enacts individual measures by cross-reference. Each of the four acts, in a form reflecting the final budget agreement reached between President Clinton and Congress, was introduced as a separate bill on November 17, 1999; these four bills are cross-referenced as introduced on that date.

Section 1000(a) of Division B also enacts five other measures by cross-reference. Each of these measures also was introduced as a separate bill on November 17. The first of these other cross-referenced measures, H.R. 3425, deals with "miscellaneous appropriations" and includes in Title III (Fiscal Year 2000 Offsets and Rescissions) many of the savings required by the budget agreement. In particular, Section 301 of

⁸ See *District of Columbia Appropriations Act, 2000—Veto Message From the President of the United States* (H.Doc.No. 106-154) in the *Congressional Record* of November 3, 1999 (No. 153), on pages H11441-11443.

⁹ For more detailed information on the contents and structure of the act, see: U.S. Library of Congress, Congressional Research Service, *FY2000 Consolidated Appropriations Act: Reference Guide*, by Robert Keith, CRS Report RS20403 (Washington: updated November 30, 1999), 4 pages.

¹⁰ On November 19, the House and Senate both passed H.Con.Res. 239, a measure making a technical correction in the enrollment of the Consolidated Appropriations Act. The correction dealt solely with a portion of H.R. 3194 containing State Department authorizations.

H.R. 3425 requires a government-wide cut of 0.38% in discretionary appropriations (see **Box 2**).

**Box 2. FY2000 Across-the-Board Cut of 0.38 Percent
(Section 301 of H.R. 3425, as Cross-Referenced in P.L. 106-113)**

Sec. 301. (a) Government-Wide Rescissions.—There is hereby rescinded an amount equal to 0.38 percent of the discretionary budget authority provided (or obligation limit imposed) for fiscal year 2000 in this or any other Act for each department, agency, instrumentality or entity of the Federal Government.

(b) Restrictions.—In carrying out the rescissions made by subsection (a),—

(1) no program, project or activity of any department, agency, instrumentality or entity may be reduced by more than 15 percent (with “programs, projects, and activities” as delineated in the appropriations Act or accompanying report for the relevant account, or for accounts and items not included in appropriations Acts, as delineated in the most recently submitted President’s budget),

(2) no reduction shall be taken from any military personnel account, and

(3) the reduction for the Department of Defense and Department of Energy Defense Activities shall be applied proportionately to all Defense accounts.

(c) Report.—The Director of the Office of Management and Budget shall include in the President’s budget submitted for fiscal year 2001 a report specifying the reductions made to each account pursuant to this section.

The remaining cross-referenced measures deal with: (1) amendments to the Balanced Budget Act of 1997 pertaining to Medicare and related programs; (2) authorizations for the State Department; (3) the federal Milk Marketing Orders program; and (4) the Intellectual Property and Communications Omnibus Reform Act of 1999.

While the across-the-board cut provision sparked some strong criticism during House and Senate floor debate on the conference report, its legislative history is relatively sparse. The joint explanatory statement accompanying the conference report on the measure merely indicated: “The conference agreement includes several offsets and rescissions.”¹¹

In the House, Speaker Dennis Hastert and other House leaders discussed it briefly in the context of reducing waste, fraud, and abuse:

- Speaker Dennis Hastert

This bill also takes a very important first step in eliminating government waste.

Every year our government spends billions and billions of dollars, and we are

¹¹ See H.Rept. 106-479 in the *Congressional Record* of November 17, 1999 (No. 163—Part II), at pages H12230-12609 (especially page H12503).

saying in this bill, let us take 38 cents out of every \$100 that the Federal Government spends and find waste and abuse. I think that is doable, and I think next year we ought to do the same thing, over and over again, because that is what the American people expect us to do.

The across-the-board spending cut in this bill will force the agencies of government to take a close look at their budget and see what frivolous spending can be eliminated. Taxpayers deserve to have their money spent responsibly, and this bill will save the American taxpayers from over \$1 billion in excess spending. (*Congressional Record*, November 18, 1999 (No. 164), page H12800.)

- Majority Leader Richard Armey

Beginning in 1998, fiscal year 1999, and now with this budget agreement in fiscal year 2000, we will have retired a third of a trillion dollars' worth of debt for the American people. We will have stopped the raid on Social Security forever. We will have enforced this with an across-the-board spending reduction that acknowledges truly it is time now to be disciplined to eliminate waste, inefficiency, fraud in the use of the taxpayers' dollars. A new commitment of good government in government. (*Congressional Record*, November 18, 1999 (No. 164), page H12766.)

- Majority Whip Tom DeLay

We tried to cut waste by just suggesting a 1 percent across-the-board cut. Incredibly, the Democrats maintain that a measly 1 percent of waste could not be found in the Federal Government. Well, even the President eventually agreed with us. Now we have an across-the-board spending cut. (*Congressional Record*, November 18, 1999 (No. 164), page H12767.)

Representative David Obey, the ranking minority member of the House Appropriations Committee, was sharply critical of the provision. In the course of asserting that the FY2000 appropriations measures involved about \$45 billion in “gimmicks,” he observed:

Another issue at the center of negotiations was whether to include a small across-the-board cut. This cut was not necessary to reach the offset targets to make sure the bill was paid for; more than enough money was available from other sources. It is simply an attempt by the majority to create a symbol that could be used to pretend that in the midst of this orgy of gimmickry in spending, that they are continuing to be fiscally responsible. (*Congressional Record*, November 18, 1999 (No. 164), page H12742.)

There was hardly any discussion of the provision during Senate consideration of the conference report. Senator John McCain suggested that it represented an abdication of budgetary responsibility: “It resorts to an across-the-board budget cut to avoid dipping into the Social Security surplus, rather than making the hard choices among other spending priorities.”¹²

¹² See the remarks of Senator John McCain in the *Congressional Record* of November 19, 1999 (No. 165—Part II), at page S15036.

In his statement made upon signing H.R. 3194 into law on November 29, President Clinton did not make any reference to the across-the-board cut.¹³

Design and Implementation of the 0.38 Percent Cut

In fashioning the 0.38% spending cut, Congress included several important features. First, reductions made pursuant to the provision were to take the form of rescissions of FY2000 budget authority (*i.e.*, appropriations and offsetting collections). Rescissions permanently cancel budget authority.

Second, the required spending cuts were to be applied only to the total *discretionary* budget authority made available to each department and agency. Any *mandatory* resources made available to a department or agency (*e.g.*, permanent appropriations to fund an entitlement program) would not be affected by the requirement.

Third, reductions were to be applied uniformly to each account for the Department of Defense (and the defense activities of the Department of Energy), except that no reductions were to be made in military personnel accounts. With regard to nondefense activities, there was no stated requirement that reductions be applied uniformly to each department's or agency's accounts. However, there was a requirement that no "program, project, or activity" (PPA) within an account be reduced by more than 15 percent.¹⁴

Finally, the OMB director was instructed to include in the President's budget for FY2001 a report specifying the reductions made to each account under the requirement.

Unlike the earlier provision in H.R. 3064 providing for a 0.97% cut, pay for Members of Congress was not made subject to the reductions.

On November 24, 1999, OMB issued Bulletin 00-01 (Rescission of FY2000 Discretionary Budget Authority), providing guidance to agencies in how to comply with the requirement for the 0.38% cut. OMB advised agencies to observe the following guidelines beyond those specified in the act:

- Reductions should be taken from the least critical funding available to the agency;
- Reductions should be considered from enacted funding above the President's request;
- Wherever possible, no reductions should be taken that would require reductions-in-force; and

¹³ See his statement in the *Weekly Compilation of Presidential Documents* (Vol. 35, No. 48) of December 6, 1999, at pages 2458-2465.

¹⁴ In the case of accounts funded by annual appropriations acts, the PPAs are defined in the acts and accompanying reports. Generally, PPAs are listed in the President's budget under the "Program and Financing" schedule for each account.

- Agencies should make targeted recommendations rather than an across-the-board funding cut.

The report required of the OMB director was part of the budget that President Clinton submitted to Congress on February 7, 2000. The 17-page report was included in the *Analytical Perspectives* volume as a separate chapter.¹⁵

According to the report, a total of \$2,356,909,000 in discretionary budget authority was rescinded in 492 accounts (see **Table 1**). This included \$9.7 million for the legislative branch and \$14.0 million for the judicial branch.

Reductions in individual accounts ranged from \$2 thousand for the “U.S. Commission for the Preservation of America’s Heritage Abroad” account, to \$116.4 million for the “Operation and Maintenance, Navy” account. The largest share of the cuts, amounting to \$1.055 billion and involving 70 accounts, was allocated to military activities of the Department of Defense. The other departments with cuts in excess of \$100 million included the Departments of Transportation (\$179.6 million), Health and Human Services (\$166.8 million), and Education (\$108.6 million).

On January 10, 2000, the OMB communications office issued a fact sheet giving a preliminary assessment regarding implementation of the cuts at the sub-account level. According to media reports based on the fact sheet, OMB indicated that the cuts would be applied to three broad areas: (1) programmatic cuts amounting to \$1.7 billion; (2) reductions in 2,372 congressional earmarks amounting to \$478 million; and (3) cuts in salaries and expenses amounting to \$193 million.¹⁶ The three agencies with the largest numbers of cuts to earmarked projects are the Department of Transportation (nearly 600 projects amounting to \$61 million), the Environmental Protection Agency (more than 300 projects amounting to \$23 million), and the Department of Housing and Urban Development (nearly 500 projects amounting to \$19 million).

The OMB factsheet indicated that agencies intended to avail themselves of the authority to cut individual programs and projects within accounts by as much as 15% in order to spare others from any reduction and to target less-critical ones. Programs expected to be completely protected from reduction included the Head Start pre-school program; the Women, Infants, and Children (WIC) program; Superfund, the Lands Legacy program; and the Clean Water Action Plan, among others. In making many of the cuts in the Department of Transportation, infrastructure programs were expected to be cut in order to protect safety-sensitive programs, including operations of the Federal Aviation Administration and the Coast Guard. Cuts to 180 highway

¹⁵ See section 21 in: U.S. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2001, Analytical Perspectives* (Washington: February 2000), Section 21, “Report on the Government-Wide Rescissions in the Consolidated Appropriations Act, 2000 (P.L. 106-113),” pages 381-397.

¹⁶ BNA, Inc., *Daily Report for Executives* (No. 07), Tuesday, January 11, 2000, “Appropriations: White House Cuts Under FY2000 Budget Trim Spending by 0.38% or \$2.35 Billion,” page A-36.

projects were expected to range from 5% to 12%, while 409 transit projects were expected to be cut uniformly by 0.38%.¹⁷

Table 1. Summary of FY2000 Rescissions Made Under the Requirement for a 0.38 Percent Cut

Category	Number of accounts	Rescissions (\$ millions)
Legislative branch	21	9.733
Judicial branch	9	13.961
Department of Agriculture	33	95.927
Department of Commerce	18	32.691
Department of Defense—Military	70	1,054.939
Department of Education	9	108.643
Department of Energy	21	66.340
Department of Health and Human Services	45	166.847
Department of Housing and Urban Development	2	91.040
Department of the Interior	31	31.346
Department of Justice	15	70.344
Department of Labor	9	33.219
Department of State	25	25.441
Department of Transportation	16	179.638
Department of the Treasury	17	47.117
Department of Veterans' Affairs	1	79.519
Corps of Engineers	1	15.690
Environmental Protection Agency	7	28.848
Executive Office of the President	15	1.151
Federal Emergency Management Agency	4	12.734
General Services Administration	1	20.022
International Assistance Programs	20	52.495

¹⁷ See *Daily Report for Executives*, *ibid.*, and, in the same issue, "Transportation: OMB Targets 590 Earmarked Projects For Cuts as Part of 0.38 Percent Reduction," page A-31.

Category	Number of accounts	Rescissions (\$ millions)
National Aeronautics and Space Administration	3	51.881
National Science Foundation	4	14.866
Small Business Administration	2	3.280
Social Security Administration	3	24.083
All other accounts	90	25.114
Total	492	2,356.909