

**Lab: Appropriation Adventure**

Your team must balance the United States budget. Not an easy task! The U.S. federal budget has not been balanced since Clinton was in office! While states have the obligation to balance their budgets every year, the federal government does not – until now..... Billions of dollars in deficit means that you will have to make some cuts or increase taxes.

Everyone at the meeting should debate the new budget, but only the three senators have votes on the final budget. Final budget decisions are won by a simple majority. The lobbyists are pushing for their respective agendas, and are allowed to spend the designated amounts to influence the senators. Remember, the class consists of citizen taxpayers and small business owners. They will vote to keep each senator in office or throw them out.

The senators “win” by raising a minimum of \$5 million and achieving at least 50% of the class vote.  
Every additional \$1 million raised will guarantee an additional 2% of the vote through TV ads.

The lobbyists “win” by ensuring the new budget includes a 2% increase in their desired industry.

The citizen taxpayers and small business owners “win” by paying low taxes.

Senator 1 – must raise 5 million for reelection and win at least 50% of the class vote for reelection  
Senator 2 – must raise 5 million for reelection and win at least 50% of the class vote for reelection  
Senator 3 – must raise 5 million for reelection and win at least 50% of the class vote for reelection

Lobbyist 1 – Military Contractor (increase defense & veterans services funding by 2%)	- 4 million
Lobbyist 2 – Oil & Gas Industry (increase energy & transportation funding by 2%)	- 4 million
Lobbyist 3 – Farmers (increase agriculture funding by 2%)	- 3 million
Lobbyist 4 – Teachers Union (increase education funding by 2%)	- 2 million
Lobbyist 5 – Sierra Club (increase natural resources & general science funding by 2%)	- 2 million

**Balance the Budget! Total Receipts must equal Total Spending!**

<u>Simplified 2017 U.S. Federal Budget</u>	2017		YOUR PROPOSED	
<b>Receipts</b>	\$ (in billions)		\$ (in billions)	% change
Individual Income Taxes	1,570			
Social Security & Payroll Tax (employer withheld taxes)	1,000			
Corporate Income Taxes	368			
Excise Taxes (sin taxes)	97			
Customs Duties (foreign transactions)	37			
Estate & Gift Taxes	22			
Deposits of Earnings (federal reserve bank earnings)	30			
Other Taxes & Earnings	86			
<b>Total Receipts</b>	<b>\$3,210</b>			
<b>Spending</b>	\$ (in billions)		\$ (in billions)	% change
Social Security	1,330		1,330	0.00%
Medicare, Medicaid	1,030		1,030	0.00%
National Defense & Homeland Security	583			
Net Debt Interest	266		266	0.00%
Veterans Benefits & Services	159			
Agriculture	133			
Treasury (IRS, mint)	100			
Transportation	88			
Education	69			
Administration of Justice (prisons, borders, FBI)	56			
Labor & Housing (unemployment, public affairs, planning)	45			
Natural Resources (NOAA, FWS, corp of engineers)	38			
International Affairs	37			
General Science, Space & Technology	28			
Energy	27			
<b>Total Spending</b>	<b>\$3,989</b>			

primary sources: InsideGov & Government Publishing Office

Budget amounts that are already printed into the “Your Proposed” column are called mandatory spending, because that spending is written into law and is unable to be changed in appropriation acts.