

Name: \_\_\_\_\_

## 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 2001! 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.

### Student Roles:

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 or exceed Total Spending!**

<b>Simplified 2023 U.S. Federal Budget</b> <small>primary sources: Congressional Budget Office &amp; DataLab</small>	<b>2023</b>	<b>YOUR PROPOSED</b>	
	<b>\$</b> <small>(in billions)</small>	<b>\$</b> <small>(in billions)</small>	<b>% change</b>
<b>Receipts</b>			
Individual Income Taxes	2,200		
Social Security & Payroll Tax (employer withheld taxes)	1,600		
Corporate Income Taxes	420		
Excise Taxes (sin taxes)	30		
Customs Duties (foreign transactions)	80		
Estate & Gift Taxes	30		
Other Taxes & Earnings	40		
<b>Total Receipts</b>	<b>\$4,400</b>		
	<b>\$</b> <small>(in billions)</small>	<b>\$</b> <small>(in billions)</small>	<b>% change</b>
<b>Spending</b>			
Social Security	1,342	1,342	0.00%
Medicare, Medicaid	1,462	1,462	0.00%
National Defense & Homeland Security	882		
Net Debt Interest	659	659	0.00%
Labor & Housing (unemployment, child nutrition, income security)	448		
General Government (operations, legislation, other discretionary spending)	347		
Agriculture	169		
Veterans Benefits & Services	131		
Health & Human Services	127		
Education	125		
Transportation	115		
International Affairs	83		
Administration of Justice (prisons, borders, FBI)	74		
Natural Resources (NOAA, FWS, corp of engineers)	48		
Energy	48		
General Science, Space & Technology	40		
<b>Total Spending</b>	<b>\$6,100</b>		

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.

**Analysis Questions:**

1. What role did the lobbyists play in influencing senators decisions about the budget?
2. Discuss the difficulties you had in achieving a balanced budget.
3. Why do you think the U.S. Federal Government has not had a balanced budget since 2001?
4. What effects (if any) does an unbalanced budget have on the economic prosperity of the United States?
5. With Natural Resources comprising 0.65% of the federal budget, how do you think this reflects the priorities and ability to respond to environmental issues in the United States?