



June 19, 2001

Policy Brief.....Fiscal Year 2001 Supplemental Appropriations Bill

	<u>Request</u>	<u>Committee Bill</u>
Total Appropriations	\$8.1 Billion	\$8.9 Billion
Offsets	-\$0.6 Billion	-\$1.4 Billion
Mandatory Veterans Spending	-\$0.9 Billion	-\$0.9 Billion
Net Total	\$6.5 Billion	\$6.5 Billion

The Committee increases total spending by \$826 million above the President's request (\$337 million for Defense and \$489 million for Non-Defense). These increases are offset by additional rescissions beyond the President's proposal. The bill also includes mandatory spending for Veterans programs for expanded benefits approved at the end of the last Congress.

AREAS OF CONCERN:

FEMA Offset: The committee proposes rescinding \$389 million in FEMA Disaster Relief Funding. The President did not request this rescission and it is being used to offset additional spending added by the Appropriations Committee. The Committee contends that these funds are in excess of what is needed and would not be spent (raising the question as to whether this is a real offset). Some Members have expressed concern that given recent natural disasters it is premature to say these funds will not be needed.

Unreal Offsets: The bill includes at least one offset (\$114 million rescission in the Housing Certificate Fund) of funds that were not going to be spent. Offsetting new spending with funds that were not going to otherwise be spent, means that the net-total cost of the bill is actually higher than what the tables above indicate.

Emergency Spending: The President did not request that any of the supplemental spending be declared an emergency. (Declaring spending an emergency allows the spending to be included above rather than within the budget caps.) Under current law spending for the current Fiscal Year is \$7.7 billion below the budget caps, which would allow enactment of the supplemental as proposed without the use of emergency spending. The Committee, however, has declared \$473 million of \$6.5 billion as emergency spending, thereby applying it on top of the caps.

Spending Beyond the Request: The Committee has included \$758 million in funding for programs or activities for which the President requested no funds (this increase is offset by reductions in other areas of the President's request and through other rescissions).

OTHER:

Legislative Branch Funding: The bill includes funds for Members Office Accounts (MRAs) and \$3 million for Committee Room renovations.

FISCAL SUMMARY & DETAILS:

DEFENSE FUNDING IN THE SUPPLEMENTAL:

Thousands of Dollars

	Request	Cmte Bill	Difference	Explanation of Major Changes
Military Personnel	515,000	515,000	0	
Operations & Maintenance	2,841,700	2,852,300	10,600	
Procurement	550,700	488,700	-62,000	Reduction in Classified Programs of \$62 million
Research & Development	440,500	525,600	85,100	An additional \$40 million for V-22 Research & an additional \$45 million for classified programs
Defense Working Capital Funds	178,400	178,400	0	
Defense Health Programs	1,453,400	1,653,400	200,000	Unrequested Funds for General Improvements
Drug Interdiction		1,900	1,900	
USS Cole Repair & Natural Disasters	44,000	83,900	39,900	Additional Funds are for Potential Natural Disasters
Dept of Energy Defense Programs	290,600	288,472	-2,128	
Military Construction	92,500	156,180	63,680	Increase of \$62 million for construction in Korea & Germany
Total Appropriations	6,406,800	6,743,852	337,052	
Rescissions (Offsets)	-566,000	-898,000	-332,000	Increases V-22 Procurement Rescission by \$115 million, \$64 million from Military Construction, \$85 million from NSA Classified Equipment
NET TOTAL	5,840,800	5,845,852	5,052	

Non-Defense Funding in the Supplemental:

Thousands of Dollars

	Request	Cmte Bill	Difference	Explanation of Major Changes
Animal & Plant Health Inspection Service	35,000	0	-35,000	
Klamath Basin	20,000	0	-20,000	

Corps of Engineers	50,000	183,500	133,500	Unrequested Funds for Flood Control & Operations & Maintenance
Non-Defense Energy Programs	29,400	31,528	2,128	
Operation of Indian Programs	50,000	50,000	0	
US Fish & Wildlife Service -- Construction	0	17,700	17,700	Repair Damage From Ice Storms
US Park Police	0	1,700	1,700	Reimbursement for Retirement Fund Expenses
Forest Service	0	138,000	138,000	Wildland Fire Management, Repair Damage Caused by Ice Storms, Pest Suppression, and Marijuana Eradication
LIHEAP	150,000	300,000	150,000	
Title I Education		161,000	161,000	
Legislative Branch	80,197	80,487	290	
Coast Guard Operating Expenses	92,000	92,000	0	
Winter Olympics Security -- Treasury	60,601	0	-60,601	
Tax Rebate Implementation	115,776	115,776	0	
FHA	40,000	40,000	0	
Arlington Cemetery Expenses	0	243	243	
Total Appropriations	722,974	1,211,934	488,960	
Rescissions (Offsets)	-20,000	-533,500	-513,500	
NET TOTAL	702,974	678,434	-24,540	

**Items Included in the Supplemental For Which
The President Requested No Funds:**

Military Treatment Facility Optimization (Open Ended Funding for Improvements)	\$200.0 million
Drug Interdiction & Counter Narcotics	\$1.9 million
Natural Disasters	\$39.9 million
Upgrade Utility Systems at Bases in Korea	\$55.1 million
Upgrade Vehicle Maintenance Facilities at Bases in Germany	\$6.9 million
TOTAL DEFENSE:	\$303.8 million
Flood Control, Mississippi River & Tributaries	\$18.0 million
Corps of Engineers, Operations & Maintenance – Response to Natural Disasters	\$115.5 million
Power Marketing Administration – Western Area (Complete Planning & Environmental Studies on Proposed Transmission Line in California)	\$1.6 million
U.S. Fish & Wildlife Service – Construction (Address Damages Caused by Natural Disasters)	\$17.7 million
U.S. Park Police (Reimbursement for Pension Costs Paid From Other Accounts)	\$1.7 million
Forest Service, State & Private Forestry (Address Ice Storm Damage	\$22.0 million

& Pest Suppression)	
National Forest System (Address Ice Storm Damage & Respond to Marijuana Cultivation)	\$12.0 million
Wildland Fire Management	\$100.0 million
Forest Service, Capital Improvements & Maintenance (Address Ice Storm Damage)	\$4.0 million
Education for the Disadvantaged (Additional Title I ESEA Funds)	\$161.0 million
Gratuities for the Next-of-Kin to Deceased Members of Congress	\$0.3 million
Library of Congress – Telecommunications Project with the U.S. Military Academy	\$0.6 million
Arlington National Cemetery (Pay Disputed Water Bill)	\$0.2 million
TOTAL NON-DEFENSE:	\$454.6 million
GRAND TOTAL:	\$758.4 million

OFFSETS:

ITEM	REQUEST	REPORTED BILL
Defense Offset	-\$566 million	-\$834 million
Economic Support Fund	\$-20 million	Not Included
Military Construction	Not Requested	-\$64 million
Grants-in-aid for Airports	Not Requested	-\$30 million
Housing Certificate Fund	Not Requested	-\$114.3 million
FEMA Disaster Relief	Not Requested	-\$389.2 million
TOTAL	-\$586 million	-\$1,431.5 million

The President's initial Supplemental Request also included a rescission of \$93 million provided for highway improvements in Arkansas. The President later amended his request to delete this rescission.

The bill also includes a rescission of \$359 million in FY 2002 (which begins on October 1, 2001) for Training and Employment Services. These funds were advance appropriated last year and are not counted as an offset for the FY 2001 spending included in the Supplemental.

OTHER PROVISIONS:

D.C. Funds: The bill includes \$95 million for D.C. operations; however, there is no increase in federal funding for the District. The funds include an \$800,000 earmark for speed cameras to ticket speeding motorists.

Changes to Earmarks: The bill includes technical changes to at least 10 earmarks contained in previous appropriations acts.

Manufactured Housing Inspections: The bill provides authority for fees collected for manufactured housing inspections to be spent to cover the cost of such inspections in Fiscal Year 2001.