



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 19, 2002

The Honorable Richard B. Cheney
President of the Senate
Washington, D.C. 20515

Dear Mr. President:

Enclosed is an appropriations report, as required by the Balanced Budget and Emergency Deficit Control Act of 1985 (section 251(a)(7)), as amended, for P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States.

Sincerely,

A handwritten signature in black ink, appearing to read "M E Daniels Jr".

Mitchell E. Daniels, Jr.

Enclosure

Identical Letter Sent to The Honorable J. Dennis Hastert



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Speaker of the House of
Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed is an appropriations report, as required by the Balanced Budget and Emergency Deficit Control Act of 1985 (section 251(a)(7)), as amended, for P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States.

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Table 1.
CBO ESTIMATES COMPARED TO OMB ESTIMATES
P.L. 107-206, 2002 SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY
FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES
(in millions of dollars)

	FY 2002		FY 2003	
	BA	OL	BA	OL
<u>EMERGENCY APPROPRIATIONS</u>				
CBO ESTIMATE, EMERGENCY APPROPRIATIONS ¹	29,853	7,783	---	10,793
<u>Scorekeeping Differences:</u>				
CBO Plug Account:				
CBO uses this account to bring account level detail (tracked in thousands) in line with the bill total (tracked in millions).	-1	---	---	---
<u>Technical Outlay Estimating Differences:</u>				
P.L. 107-206, the FY 2002 Supplemental Appropriations Act, included \$5.1 billion in contingent emergency funds. On August 13, 2002, the President announced that he would not designate these funds as emergency requirements. As a consequence, OMB does not score any outlays associated with the \$5.1 billion while CBO scores outlays of \$962 million in FY 2002 and \$2,400 million in FY 2003 for amounts provided as contingent emergency appropriations, as noted below.				
Department of Defense:				
Operation and Maintenance:				
Operation and maintenance, Defense-wide.....	---	405	---	-295
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Operation and maintenance, Army (includes contingent funds).....	---	38	---	-95
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Procurement:				
Other procurement, Air Force.....	---	350	---	-188
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Research, Development, Test, and Evaluation:				
Research, development, test, and evaluation, Air Force (includes contingent funds)...	---	7	---	-91
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Department of Energy:				
National Nuclear Security Administration:				
Weapons activities (includes contingent funds).....	---	-7	---	-86
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				

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	FY 2002		FY 2003	
	BA	OL	BA	OL
Department of Health and Human Services:				
Departmental Management:				
General departmental management (includes contingent funds).....	---	-5	---	-51
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Department of Justice:				
Federal Bureau of Investigation:				
Salaries and expenses (includes contingent funds).....	---	-62	---	-80
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Department of Transportation:				
Transportation Security Administration (includes contingent funds).....				
	---	-800	---	66
OMB has lower estimates of outlays from new authority and higher estimates of second-year outlays than CBO.				
Coast Guard:				
Acquisition, construction, and improvements (includes contingent funds).....	---	-19	---	-81
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Federal Aviation Administration:				
Grants-in-aid for airports (includes contingent funds).....	---	-150	---	---
OMB has lower estimates of outlays from new authority than CBO.				
Department of Veterans Affairs:				
Veterans Health Administration:				
Medical care (includes contingent funds).....	---	-96	---	-176
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Corps of Engineers -- Civil Works:				
Operation and maintenance, general (includes contingent funds).....	---	---	---	-76
OMB has lower estimates of second-year outlays than CBO.				
Election Administration Reform:				
Election Administration Reform (contingent funds).....	---	---	---	-220
OMB has lower estimates of second-year outlays than CBO.				
Federal Emergency Management Agency:				
Emergency management planning and assistance (includes contingent funds).....	---	101	---	-92
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				

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	FY 2002		FY 2003	
	BA	OL	BA	OL
Disaster relief (includes contingent funds).....	---	---	---	-346
OMB has lower estimates of second-year outlays than CBO.				
Office of Cerro Grande Fire Claims (includes contingent funds).....	---	---	---	-50
OMB has lower estimates of second-year outlays than CBO.				
International Assistance Programs:				
International Security Assistance:				
Economic support fund (includes contingent funds).....	---	87	---	-77
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Nonproliferation, antiterrorism, demining, and related Programs. (includes contingent funds).....	---	-14	---	-109
OMB has lower estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Agency for International Development:				
Assistance for the independent states of the former Soviet Union.....	---	-2	---	66
OMB has lower estimates of outlays from new authority and higher estimates of second-year outlays than CBO.				
Postal Service:				
Payment to Postal Service fund.....	---	-87	---	87
OMB has lower estimates of outlays from new authority and higher estimates of second-year outlays than CBO.				
Other net technical estimating differences (includes contingent funds).....	---	-67	---	-101
	-----	-----	-----	-----
TOTAL DIFFERENCES, EMERGENCY APPROPRIATIONS.....	-1	-321	---	-1,995
	-----	-----	-----	-----
OMB ESTIMATE, EMERGENCY SPENDING	29,852	7,462	---	8,798
<u>OTHER DISCRETIONARY APPROPRIATIONS</u>				
CBO ESTIMATE, OTHER DISCRETIONARY APPROPRIATIONS ¹	-497	17	---	-51
<u>Scorekeeping Differences:</u>				
Department of Agriculture:				
Farm Service Agency:				
Commodity Credit Corporation fund.....	-445	-445	---	---
Section 101 of the Act delays all but \$33 million of the Department of Agriculture's expected obligations for the Export Enhancement Program in FY 2002. This program is authorized to spend up to \$478 million per year and OMB estimates that this provision yields a discretionary offset of \$445 million in budget authority and outlays. CBO scores the effect of this provision at zero.				

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	FY 2002		FY 2003	
	BA	OL	BA	OL
Department of Defense:				
Research, Development, Test, and Evaluation:				
Research, development, test, and evaluation, Air Force.....	1	---	---	---
OMB and CBO round the amount rescinded (-\$56,500,000) differently.				
Department of Housing and Urban Development:				
Public and Indian Housing Programs:				
Housing certificate fund.....	1	---	---	---
OMB and CBO round the amount appropriated (\$388,500,000) differently.				
Technical Outlay Estimating Differences:				
Department of Education:				
Office of Student Financial Assistance:				
Student financial assistance.....	---	---	---	1,000
OMB has higher estimates of second-year outlays than CBO.				
Department of Transportation:				
Federal Railroad Administration:				
Capital grants to National Railroad Passenger Corporation.....	---	179	---	-96
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Department of Veterans Affairs:				
Veterans Health Administration:				
Medical care.....	---	78	---	-79
OMB has higher estimates of outlays from new authority and lower estimates of second-year outlays than CBO.				
Across-the-board rescission to travel and administrative expenses:	---	-245	---	227
OMB estimates more outlay savings from this rescission in the first year than CBO, but less outlay savings in the second year.				
Other technical estimating differences.....	---	-64	---	36
TOTAL DIFFERENCES, OTHER DISCRETIONARY SPENDING.....	-443	-497	---	1,088
OMB ESTIMATE, OTHER DISCRETIONARY SPENDING	-940	-480	---	1,037

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	FY 2002		FY 2003	
	BA	OL	BA	OL
<u>SUMMARY</u>				
CBO TOTAL, 2002 Supplemental Appropriations Act ¹	29,356	7,800	---	10,742
TOTAL DIFFERENCES.....	-444	-818	---	-907
OMB TOTAL, 2002 Supplemental Appropriations Act.....	28,912	6,982	---	9,835

¹ CBO's estimates are based on CBO data received by OMB on 8/14/02.

Table 2.
ENACTED APPROPRIATIONS AS OF AUGUST 19, 2002
(in millions of dollars)

	<u>FY 2002</u>		<u>FY 2003</u>	
	BA	Outlays	BA	Outlays
Highway Category Spending				
Highway Category spending limits ¹	---	28,489	---	29,100
Amount Previously Enacted.....	[-62] ²	28,489	---	---
	-----	-----	-----	-----
Total Enacted, Highway Category Spending.....	[-62] ²	28,489	---	---
Appropriations over/under (-) spending limits.....				
	N/A	---	N/A	-29,100
Mass Transit Category Spending				
Mass Transit Spending Limits ¹	---	5,275	---	6,030
Amount Previously Enacted.....	[1,348] ²	5,272	---	---
	-----	-----	-----	-----
Total Enacted, Mass Transit Category Spending.....	[1,348] ²	5,272	---	---
Appropriations over/under (-) spending limits.....				
	N/A	-3	N/A	-6,030
Conservation Category Spending				
Conservation Spending Limits ¹	1,735	1,469	1,922	1,872
Amount Previously Enacted.....	1,733	1,469	---	---
	-----	-----	-----	-----
Total Enacted, Conservation Category Spending.....	1,733	1,469	---	---
Appropriations over/under (-) spending limits.....				
	-2	---	-1,922	-1,872

Table 2.
ENACTED APPROPRIATIONS AS OF AUGUST 19, 2002
(in millions of dollars)

	<u>FY 2002</u>		<u>FY 2003</u>	
	BA	Outlays	BA	Outlays
Other Discretionary Spending				
Other Discretionary Spending Limits ¹	729,260	703,554	N/A	N/A
Amount Previously Enacted.....	704,548	692,752	---	---
Amount Provided in P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States ³	23,772	6,982	---	9,835
	-----	-----	-----	-----
Total Enacted, Other Discretionary Spending.....	728,320	699,734	---	9,835
Appropriations over/under (-) spending limits.....				
	-940	-3,820	N/A	N/A
Total Discretionary Spending				
Total Discretionary Spending limits ¹	730,995	738,787	1,922	37,002
Amount Previously Enacted.....	706,281	727,982	---	---
Amount Provided in P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States ³	23,772	6,982	---	9,835
	-----	-----	-----	-----
Total Enacted, Total Discretionary Spending.....	730,053	734,964	---	9,835
Appropriations Over/Under (-) Spending Limits.....				
	-942	-3,823	-1,922	-27,167

¹ FY 2002 and FY 2003 limits are the limits that will be included in the 2003 August Update Report, which will be transmitted to the Congress the week of August 19, 2002. These limits include adjustments for enacted emergency appropriations as permitted under the Budget Enforcement Act (BEA) of 1997.

² Mass Transit and Highway Category BA, under current law, do not count towards the discretionary spending limits. Therefore, enacted BA amounts under those categories are not counted toward any of the spending limits.

³ P.L. 107-206, the FY 2002 Supplemental Appropriations Act, included \$5.1 billion in contingent emergency funds. On August 13, 2002, the President announced that he would not designate the funds as emergency requirements -- effectively eliminating the BA. As a consequence, the \$5.1 billion in BA and associated outlays are not scored against the 2002 or 2003 caps.

Table 1. CBO Estimate of the Discretionary Budget Authority and Outlays Resulting From P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States (By fiscal year, in millions of dollars)

	2002		2003	
	Budget Authority	Outlays	Budget Authority	Outlays
2002 Supplemental ^a				
Nonemergency	-497	17	0	-51
Emergency	<u>29,853</u>	<u>7,783</u>	<u>0</u>	<u>10,793</u>
Total	29,356	7,800	0	10,742

a. The nonemergency and emergency subtotals have been revised from the previous estimate CBO transmitted on July 30, 2002, to reflect the fact that only \$750 million of the \$783 million appropriated for Community Development Block Grants is designated as emergency funding. (The totals are unchanged from CBO's previous estimate.)

SOURCE: Congressional Budget Office.

Table 2. CBO Estimate of the Pay-As-You-Go Effects Resulting From P.L. 107-206, the 2002 Supplemental Appropriations Act for Further Recovery From and Response to Terrorist Attacks on the United States

	By Fiscal Year, in Millions of Dollars									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pay-As-You Estimate—Changes in Receipts										
Amendments to the Caribbean Basin Economic Recovery Act	60	60	70	70	75	80	85	90	95	100

SOURCE: Congressional Budget Office.
