



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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COMMERCE, JUSTICE, STATE APPROPRIATIONS BILL FOR FISCAL YEAR 2005 – H.R. 4754

SUMMARY

The Commerce, Justice, State appropriations bill reported to the House on 1 July 2004 (HR 4754; H.Rept. 108-576) provides new budget authority equal to the 302(b) suballocation for the Appropriations Subcommittee on Commerce, Justice, State and Related Agencies.

The bill is consistent with the appropriate levels in the budget resolution for fiscal year 2005 (S.Con.Res. 95, as applied in the House of Representatives by H.Res. 649, 108th Congress). Therefore it complies with provisions of the Congressional Budget Act.

COST OF THE LEGISLATION

H.R. 4754 provides \$39.815 billion in new budget authority [BA] and \$40.428 billion in outlays for 2005 – an increase of \$878 million in BA and \$1.679 billion in outlays from fiscal year 2004 (see Table 1 below). The increase in outlays includes the effect of budget authority approved in the previous years in addition to the increase for 2005. Budget authority in the bill is \$240 million above the President's budget request.

The bill contains \$983 million in BA savings, including \$902 million in BA from mandatory programs, and \$81 million in rescissions of previously enacted discretionary BA. This translates to a total of \$353 million in outlay savings, of which \$11 million is from the rescissions.

The bill does not contain emergency-designated new BA or advance appropriations.

Table 1: Commerce, Justice, State Appropriations Bill
(fiscal years; millions of dollars)

	2004 Spending ^a	Administration 2005	302 (b) for 2005	Bill
Budget Authority	38,937	39,575	39,815	39,815
Outlays	38,749	40,805	40,463	40,428

^a Does not include \$596 million in BA and \$332 million in outlays included in the fiscal year 2004 Iraq conflict supplemental (Public Law 108-106).

COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for new BA. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of BA and outlays in the budget resolution. The \$39.815 billion in new

discretionary budget authority is the same as the 302(b) allocation to the House Appropriations Subcommittee on Commerce, Justice, State; outlays are \$35 million below the allocation. Because no appropriations bills for fiscal year 2005 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

Table 2: Discretionary Spending in the Commerce, Justice, State Appropriations Bill
(in millions of dollars)

	2004 Budget Authority ^a	2004 Outlays ^a	2005 Budget Authority	2005 Outlays	Difference BA	Difference Outlays
Department of Justice	19,375	19,651	19,650	20,468	275	817
<i>Federal Bureau of Investigation</i>	4,591	4,379	5,215	4,975	624	596
<i>Federal Prison System</i>	4,759	4,881	4,759	4,987	0	106
<i>Office of Justice Programs</i>	3,022	3,504	2,005	2,927	-1,017	-577
<i>Legal Activities and US Marshals</i>	2,947	3,018	2,988	3,041	41	23
<i>Drug Enforcement Agency</i>	1,586	1,542	1,662	1,623	76	81
<i>Other Department of Justice</i>	2,470	2,327	3,021	2,915	551	588
Department of Commerce	5,810	5,713	5,408	5,622	-402	-91
Department of State	7,495	7,215	8,297	7,874	802	659
Judiciary	4,810	4,766	5,210	5,194	400	428
Other	1,447	1,404	1,250	1,270	-197	-134
Total	38,937	38,749	39,815	40,428	878	1,679

^a Does not include \$596 million in BA and \$332 million in outlays included in the fiscal year 2004 Iraq conflict supplemental (Public Law 108-106).

DISCUSSION

As noted, the bill is \$878 million above 2004 spending (see Table 2 above) and \$240 million above the President's request.

Spending for the Department of Justice increases by a net of \$275 million from 2004. A decrease in Office of Justice Programs (\$1.017 billion) is offset by increases in the Federal Bureau of Investigation (\$624 million), the Drug Enforcement Agency (\$76 million), Legal Activities and U.S. Marshals (\$41 million), and other activities (\$551 million). Reductions in Office of Justice Programs spending includes savings from a limitation on spending from the Crime Victims' Fund mandatory program (\$863 million).

Compared to 2004, spending for the Department of Commerce declines by \$402 million, while spending for the Department of State and the Judiciary increase by \$802 million and \$400 million, respectively. Decreases in Commerce primarily arise from reductions in the National Oceanic and Atmospheric Administration (\$571 million) and the National Institute of Standards (\$85 million) partially offset by increases in the Bureau of the Census (\$162 million), the International Trade Administration (\$62

million) and other programs (\$30 million). Increases in the State Department include the Administration on Foreign Affairs (\$416 million), International Organizations and Conferences (\$394 million) and International Commissions (\$1 million) partially offset by a decrease in other programs (\$9 million), while increases in Judiciary are primarily for the Courts of Appeals salaries and expenses (\$214 million) and court security (\$105 million).

Finally, other spending in the bill declines by \$197 million, due largely to an increase in receipts for the Securities and Exchange Commission [SEC] (\$370 million), which are partially offset by an increase in spending for the Broadcasting Board of Governors (\$60 million).

The bill provides a net of \$240 million in BA more than the President's request for programs in this bill. This results largely from an increase of \$795 million in the Department of Justice – principally due to an increase in Office of Justice Programs (\$780 billion) – and \$14 million in other programs. This is offset by reductions from the request in the Departments of Commerce (\$289 million) and State (\$122 million), and the Judiciary (\$158 million).

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OFFSETS

Changes in Mandatory Programs. The bill changes three mandatory programs – programs not subject to annual appropriations – generating savings to offset discretionary spending.

The bill caps payments from the Crime Victims’ Fund at less than its level under existing law. The spending limitation generates \$863 million in budget authority savings, and \$302 million in outlay savings. This offset has been included in prior years; it was included this year in the President’s request. Because of longstanding accounting

conventions, however, it is not reflected in the fiscal year 2004 figures cited here. The bill also makes changes to the Office of Personnel Management Employee Health Benefit Program to generate \$28 million in BA and outlay savings. In addition, the employer share of the employee retirement program is changed to generate \$11 million in BA and outlay savings.

Rescissions. The bill rescinds \$81 million worth of previously enacted BA in the Department of Justice’s Office of Justice Programs. Outlay savings are \$11 million.

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