



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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MILITARY CONSTRUCTION APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2559

SUMMARY

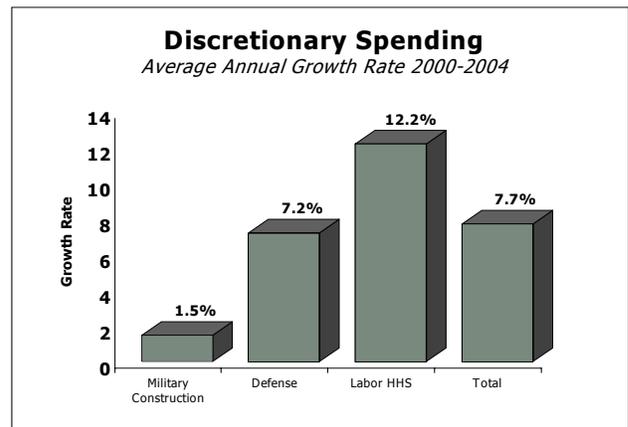
The Military Construction appropriations bill reported to the House on 23 June 2003 (HR 2559; H.Rept. 173) provides new budget authority equal to the 302(b) suballocation for the Military Construction subcommittee. The bill is

consistent with the House budget resolution for fiscal year 2004 (H.Con.Res. 95) and the level of the administration's request. The legislation as reported therefore complies with the requirements of the Congressional Budget Act.

COST OF THE LEGISLATION

As reported, H.R. 2559 provides \$9.196 billion in new budget authority [BA] and \$10.282 billion in outlays for 2004 – a decrease of \$1.350 billion in BA and an increase of \$262 million in outlays from fiscal year 2003 (see Table 1 below). The growth in outlays results from BA enacted in prior years. Although budget authority in the bill declines by 12.8 percent from the previous year, it is \$81 million above the President's request. This is principally because the bill contains a procurement appropriation of \$120 million that, according to the Congressional Budget Office [CBO], was part of the administration's request for the Defense appropriations bill rather than the Military Construction bill.

As shown in the chart alongside, assuming enactment of this bill, new BA for military construction will have increased an average of 1.5 percent a year in 2000-04, a significantly slower rate of growth than that of other appropriations bills and discretionary spending as a whole.



The bill does not contain emergency-designated new BA, but does include \$379 million worth of rescissions of previously enacted BA with \$22 million in related outlays.

Table 1: Military Construction Appropriations Bill
(fiscal years; millions of dollars)

	2003 Spending ^a	Administration 2004	302 (b) for 2004	Bill
Budget Authority	10,546	9,115	9,196	9,196
Outlays	10,020	10,253	10,282	10,282

^a Does not include \$205 million in BA and \$39 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

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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.

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 budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the concurrent resolution on the budget.

The \$9.196 billion in new discretionary budget authority is the same as the 302(b) allocation to the House Appropriations Subcommittee on Military Construction; outlays are also equal to the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

Table 2: Discretionary Spending in the Military Construction Appropriations Bill
(in millions of dollars)

	2003 Budget Authority ^a	2003 Outlays ^a	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Army	1,634	1,260	1,350	1,500	-284	240
Navy	1,304	1,027	1,172	1,177	-132	150
Air Force	1,048	1,093	896	1,147	-152	54
Defense-wide	867	749	661	763	-206	14
Reserve Components	707	757	465	743	-242	-14
Family Housing	4,204	4,037	3,937	4,024	-267	-13
NATO Security Investment	167	271	169	252	2	-19
Base Realignment and Closure	561	810	370	610	-191	-200
Currency Fluctuations	54	16	55	36	1	20
Procurement			120	30	120	30
Rounding			1		1	
Total	10,546	10,020	9,196	10,282	-1,350	262

^a Does not include \$205 million in BA and \$39 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

DISCUSSION

The bill, as reported, is \$1.350 billion less than 2003 spending (see Table 2 above), and is \$81 million more than the President’s request. As shown in the table, the reduction in spending is spread across all activities covered by the bill.

Relative to the request, the bill decreases BA by \$115 million for construction of active duty military components, and increases spending of reserve components by \$97 million. In terms of projects in specific areas, 28 of the 53 US-sovereignty jurisdictions listed in the bill received project funding above the request; seven received funding

below the request; and 18 received the request. The bill reduces unspecified worldwide minor construction, and an Army classified project. The bill eliminates funding for certain projects in Germany and adds funds for Korea, canceling projects near the Korean demilitarized zone and moving them south.

Family housing is \$22 million below the request. Of that amount, \$14 million is the result of additional rescissions, with the balance coming from reductions in Air Force family housing operations and maintenance.

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