



Appropriations Update

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U.S. House of Representatives
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FISCAL YEAR 2004 MILITARY CONSTRUCTION APPROPRIATIONS BILL Conference Report

SUMMARY

The conference report accompanying the Military Construction appropriations bill (HR 2559; H.Rept. 108-342) provides new budget authority [BA] of \$9.316 billion, and outlays of \$10.247 billion for fiscal year 2004, which began on 1 October 2003. It exceeds by \$120 million the most recent 302(b) suballocation issued by the full Appropriations Committee for the Subcommittee on

Military Construction. Consequently, the conference report violates the Congressional Budget Act, and a point of order would lie against consideration of the measure. As is customary with conference reports, however, this appropriations measure was taken up under a rule that waives all points of order against the measure itself and its consideration.

COST OF THE LEGISLATION

As noted, the conference report provides \$9.316 billion in new BA and \$10.247 billion in outlays for 2004 – a decrease of \$1.230 billion in BA, and an increase of \$227 million in outlays, from fiscal year 2003 (see Table 1 below). The growth in outlays results from BA enacted in prior years. Although BA in the conference report declines by 11.7 percent from the previous year, it is \$201 million above the President's request. With enactment of this report, new budget authority for military construction will have

increased an average of 1.9 percent a year in 2000-04. (These computations exclude the \$525 million in emergency-designated appropriations included in the recently passed Iraq supplemental.)

The conference report does not contain emergency-designated new BA, but does include \$497 million worth of rescissions of previously enacted BA with \$40 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	9,316
Outlays	10,020	10,253	10,282	10,247

^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).

COMPLIANCE WITH THE BUDGET RESOLUTION

The \$9.316 billion in fiscal year 2004 BA in this conference report exceeds by \$120 million the 302(b) suballocation to the Military Construction subcommittee. The conference

report therefore does not comply with section 302(f) of the Congressional Budget Act, which prohibits consideration of appropriations bills exceeding the respective

(continued on reverse side)

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subcommittee's suballocation. The point of order has been waived with adoption of the rule for consideration of the conference report.

It has been argued that it is necessary to waive the Budget Act for appropriations conference reports, because section 302(e) of the Budget Act makes it impossible for the Appropriations Committee to issue 302(b) suballocations that reflect conference levels negotiated with the Senate. (Section 302(e) of the Budget Act requires that the 302(b) suballocation be consistent with actions taken to date on appropriations measures.) Nevertheless, the Senate Appropriations Committee cites section 302(e) as part of its authority to issue a suballocation that reflects anticipated

conference agreements. At any rate, without valid revisions to the 302(b) suballocation, the House Parliamentarian would view this measure as violating section 302(f) of the Budget Act, even if it were within targets privately agreed to by the House and Senate Appropriations Committees.

The conference report does not violate section 311(a) of the Budget Act. Section 311(a) prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the concurrent resolution on the budget. Because other spending measures assumed in the budget resolution have not yet been enacted, the conference report does not cause a breach of the budgetary totals.

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	1,264	1,491	-370	231
Navy	1,304	1,027	1,192	1,179	-112	152
Air Force	1,048	1,093	1,045	1,167	-3	74
Defense-wide	867	749	701	767	-166	18
Reserve Components	707	757	730	758	23	1
Family Housing	4,204	4,037	3,795	3,991	-409	-46
NATO Security Investment	167	271	161	248	-6	-23
Base Realignment and Closure	561	810	370	610	-191	-200
Currency Fluctuations	54	16	55	36	1	20
Rounding			3	0	3	0
Total	10,546	10,020	9,316	10,247	-1,230	227

^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 conference report is \$1.230 billion below 2003 spending (see Table 2 above), and \$201 million above the President's request. As shown in the table, the spending reduction is spread across all activities covered by the bill.

Relative to the request, the conference report increases budget authority by \$1 million for construction of active duty military components; it shifts funds from the Army (-\$272 million) to the Air Force (+\$214 million), and Navy (+\$59 million). Spending for reserve components is increased by \$362 million relative to the request, largely for

the Air National Guard (\$163 million) and Army Reserve (\$144 million).

Family Housing is \$164 million less than the request as a result of additional rescissions.

The measure rescinds \$497 million of previously enacted BA for: Army (\$184 million); Navy (\$46 million); Air Force (\$23 million); Defensewide (\$72 million); North Atlantic Treaty Organization security investment (\$8 million); and Family Housing (\$164 million).

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