



THE DIRECTOR

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

July 12, 1999

The Honorable Al Gore
President of the Senate
Washington, D.C. 20515

Dear Mr. President:

The Balanced Budget and Emergency Deficit Control Act of 1985 (section 251(a)(7)), as amended, requires that OMB submit a report to Congress on appropriations legislation within seven days of enactment. Enclosed is the report for H.R. 1141, the Emergency Supplemental Appropriations Act, FY 1999 (P.L. 106-31). This Act was signed by the President on May 21, 1999.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew".

Jacob J. Lew
Director

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:

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Sincerely,

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Jacob J. Lew
Director

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Table 1.
Estimates Contained in P.L. 106-31
the FY 1999 Emergency Supplemental Appropriations Act
(in millions of dollars)

	FY 1999		FY 2000	
	BA	OL	BA	OL
<u>CONTINGENT EMERGENCY SPENDING</u>				
DEFENSE				
CBO ESTIMATE, CONTINGENT EMERGENCY				
APPROPRIATIONS.....	5,183	793	1,838	4,459
<p>CBO scores contingent emergency appropriations at the time of enactment. OMB scores contingent emergency appropriations when funds are released.</p>				
<u>Scorekeeping Differences:</u>				
<p>(Note -- Contingent emergency funding is based on emergency designations through May 28, 1999. Additional designations are expected as developments warrant.)</p>				
Defense Department:				
Military Personnel:				
Military personnel, Marine Corps.....	---	---	-178	-174
Reserve personnel, Marine Corps.....	---	---	-8	-7
Reserve personnel, Navy.....	---	---	-30	-27
Military personnel, Navy.....	---	---	-437	-425
Military personnel, Army.....	---	---	-560	-551
National Guard personnel, Army.....	---	---	-70	-67
Reserve personnel, Army.....	---	---	-41	-41
Military personnel, Air Force.....	---	---	-472	-458
Reserve personnel, Air Force.....	---	---	-13	-12
National Guard personnel, Air Force.....	---	---	-30	-29
CBO scoring of contingent emergency funding.				
Operation and Maintenance:				
Overseas contingency operations transfer fund.....	-1,100	-220	---	-707
CBO scoring of contingent emergency funding.				
Procurement:				
Operational rapid response account.....	-300	-16	---	-82
CBO scoring of contingent emergency funding.				
Construction:				
Military construction transfer fund.....	-475	-25	---	-130
CBO scoring of contingent emergency funding.				
Department of Transportation:				
Coast Guard:				
Operating expenses.....	-200	-16	---	-160
CBO scoring of contingent emergency funding.				

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	FY 1999		FY 2000	
	BA	OL	BA	OL
CBO Rounding.....	1	---	1	---
Other rounding differences.....	-2	---	---	---
<u>Technical Outlay Estimating Differences:</u>				
Technical outlay estimating differences.....	---	359	---	-136
<p>CBO distributes the appropriations provided in sections 2007, 2008, and 2010 among various Defense accounts. In total, CBO's first-year outlay rates are lower than the rates used by OMB, and the second-year rates are higher.</p>				
Total Differences.....	-2,076	82	-1,838	-3,006
OMB ESTIMATE, CONTINGENT EMERGENCY APPROPRIATIONS.....	3,107	875	---	1,453
NON-DEFENSE				
CBO ESTIMATE, CONTINGENT EMERGENCY APPROPRIATIONS.....	2,906	646	43	794
<p>CBO scores contingent emergency appropriations at the time of enactment. OMB scores contingent emergency appropriations when funds are released.</p>				
<u>Scorekeeping Differences:</u>				
Agriculture Department:				
Rural housing insurance fund program account.....	1	1	---	---
<p>P.L. 106-31 provides \$1.534 million for sec. 502 and sec. 504 loans. OMB adds the two pieces together for a total of \$1.5 million, which rounds to \$2 million. CBO rounds the pieces and then adds for a total of \$1 million.</p>				
Commodity credit corporation fund.....	---	---	-35	-31
CBO scoring of contingent emergency funding.				
Health and Human Services:				
Refugee and entrant assistance.....	-100	-30	---	-30
CBO scoring of contingent emergency funding.				

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	FY 1999		FY 2000	
	BA	OL	BA	OL
Housing and Urban Development:				
Community development block grants.....	230	---	---	---
<p>CBO scores contingent emergencies at the time of enactment, and thus scores the rescission of these funds. However, OMB scores contingent emergency funds at the time of release. Since these funds have not been released, OMB does not score the rescission.</p>				
International Assistance Programs:				
Central America and Caribbean emergency disaster recovery fund/Economic Support Fund (ESF).....	-2	-14	---	178
<p>OMB scores \$621 million to the transfer fund and \$156 million to ESF. CBO scores \$761 million to ESF with transfers of \$8 million to AID, and \$10 million to the Export-Import Bank. In addition, CBO's first-year outlay rate is slightly higher, and their second-year rate is lower (32% vs. 55%) than OMB's.</p>				
Federal Emergency Management Agency:				
Disaster relief.....	-528	130	---	62
<p>CBO scored \$900 million for the disaster relief fund. However, only \$372 M of these funds have been made available. OMB will score the remaining \$528 million when the funds are released. In addition, OMB assumes a first-year outlay rate of 35 percent, CBO assumed no first-year outlays.</p>				
Denali Commission:				
Denali Commission.....	---	---	-8	-1
<p>CBO scoring of contingent emergency funding.</p>				
CBO rounding account.....	3	---	---	---
<p>This includes adjustments to account for rounding differences in the Economic Support Fund for East Timor and from transfers to AID.</p>				

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Estimates Contained in P.L. 106-31
the FY 1999 Emergency Supplemental Appropriations Act
(in millions of dollars)

	FY 1999		FY 2000	
	BA	OL	BA	OL
<u>Technical Outlay Estimating Differences:</u>				
State Department:				
Migration and refugee assistance.....	---	133		-107
CBO assumes a lower first-year outlay rate (40% vs. 90%) and a higher second-year outlay rate (50% vs. 10%) than does OMB.				
Other outlay differences.....	---	34	---	30
Total Differences.....	-396	254	-43	101
OMB ESTIMATE, CONTINGENT EMERGENCY APPROPRIATIONS.....	2,510	900	---	895
<u>SPENDING DESIGNATED AS AN EMERGENCY REQUIREMENT</u>				
<u>IN P.L. 106-31</u>				
DEFENSE				
CBO ESTIMATE.....	4,066	1,732	---	1,869
<u>Technical Outlay Estimating Differences:</u>				
Operation and Maintenance:				
Overseas contingency operations transfer fund.....	---	1,231	---	-1,017
CBO has a lower first-year outlay rate (43% vs. 74%) and a higher second-year rate (46% vs. 20%) than does OMB.				
Other technical outlay estimating differences.....	---	52	---	-41
Total Differences.....	---	1,283	---	-1,058
OMB ESTIMATE.....	4,066	3,015	---	811
NON-DEFENSE				
CBO ESTIMATE.....	627	411	---	136
<u>Technical Outlay Estimating Differences:</u>				
Other technical outlay estimating differences.....	---	41	---	-16
Total Differences.....	---	41	---	-16
OMB ESTIMATE.....	627	452	---	120

Table 1.
Estimates Contained in P.L. 106-31
the FY 1999 Emergency Supplemental Appropriations Act
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	FY 1999		FY 2000	
	BA	OL	BA	OL
<u>DEFENSE DISCRETIONARY SPENDING</u>				
CBO ESTIMATE, DEFENSE DISCRETIONARY SPENDING.....	1	19	---	17
<u>Scorekeeping Differences:</u>				
Defense Department:				
Real property maintenance.....	-1	---	---	---
<p style="margin-left: 40px;">Ellsworth claims (sec. 3029). OMB estimates first-year BA as \$400 thousand, which is below the rounding threshold. CBO estimates \$1 million for this provision in FY 1999. OMB estimates \$5 million in advance appropriations in FYs 2000-2004.</p>				
<u>Technical Outlay Estimating Differences:</u>				
General transfer authority outlay allowance.....	---	29	---	-34
<p style="margin-left: 40px;">OMB and CBO assume different spendout rates for the increase in general transfer authority.</p>				
Other technical outlay estimating differences.....	---	-9	---	11
Total Differences.....	-1	20	---	-23
OMB ESTIMATE, DEFENSE DISCRETIONARY SPENDING.....	---	39	---	-6

Table 1.
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	FY 1999		FY 2000	
	BA	OL	BA	OL
<u>NON-DEFENSE DISCRETIONARY SPENDING</u>				
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY SPENDING.....	-300	76	74	85
<u>Scorekeeping Differences:</u>				
<u>Agriculture Department:</u>				
Commodity credit corporation.....	1	1	---	---
OMB estimates section 3020 at \$1 million. CBO estimates this provision at less than \$500 thousand.				
<u>Health and Human Services:</u>				
Medical facilities guarantee and loan program.....	3	---	---	1
CBO scores the rescission of \$3 million against HRSA discretionary funds. This account is an appropriated entitlement. As such, OMB does not score appropriations or rescissions in this account.				
General departmental management.....	8	4	---	2
CBO scores the \$8 million in P.L. 105-277 and, thus, does not score the technical correction.				
<u>Housing and Urban Development:</u>				
Office of the Inspector General.....	---	---	5	---
OMB scores the extension of funds for this account as a reappropriation in FY 2000, CBO does not.				
<u>Interior Department:</u>				
Royalties on Outer Continental Shelf lands.....	15	15	---	---
CBO does not score section 3003. OMB interprets this provision as delaying the Department of Interior from implementing a final oil valuation rule, resulting in a loss of royalties.				

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	FY 1999		FY 2000	
	BA	OL	BA	OL
Transportation Department:				
Federal-aid highways.....	-5	---	1	1
CBO scores \$7 million for section 3029 for Ellsworth claims. OMB scores this provision as providing an appropriation of \$2 million in FY 1999 and an advance appropriation of \$1 million in FY 2000.				
General Services Administration:				
Disposal of surplus real and related personal property.....	1	1	---	---
OMB scores \$2 million in budget authority and outlays as a result of section 3034, which reduces the receipts from the sale of property. CBO scores this provision as \$1 million in budget authority and outlays.				
Other Commissions and Boards:				
Other commissions and boards.....	---	---	-1	-1
CBO scores the extension of funds for the Commission on Holocaust Assets in the United States as an advance appropriation. OMB estimates this extension at less than \$1 million.				
Rounding difference	2	---	---	---
CBO rounds the State infrastructure banks and Education, research, statistics, and improvement rescissions up. OMB rounds down, resulting in a \$1 million difference in each account.				
<u>Technical Outlay Estimating Differences:</u>				
Education for the disadvantaged.....	---	-3	---	-33
CBO estimates that the advance appropriation of \$56 million will result in an accelerated spendout of FY 1999 resources. OMB does not estimate an effect on FY 1999. In addition, CBO assumes a higher (64% vs. 0.5%) FY 2000 outlay rate than does OMB.				
Other technical outlay estimating differences.....	---	7	---	-7
Total Differences	25	25	5	-37
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY SPENDING	-275	101	79	48

Table 2.
ENACTED APPROPRIATIONS AS OF MAY 26, 1999
(in millions of dollars)

	FY 1999		FY 2000	
	BA	Outlays	BA	Outlays
Defense Discretionary Spending Limit				
Defense Discretionary Spending Limit ¹	276,047	270,420	N/A	N/A
Amount previously enacted.....	276,041	269,124	N/A	N/A
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	---	39	N/A	N/A
Total enacted, Defense Discretionary spending.....	276,041	269,163	N/A	N/A
Appropriations over/under (-) spending limits.....	-6	-1,257	N/A	N/A
Non-Defense Discretionary, Excluding Special Categories				
Non-Defense Discretionary, Excluding Special Categories, Spending Limits ¹	284,533	274,324	N/A	N/A
Amount previously enacted.....	284,371	272,553	N/A	N/A
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	-275	101	N/A	N/A
Total enacted, Non-Defense Discretionary, Excluding Special Special Categories.....	284,096	272,654	N/A	N/A
Appropriations over/under (-) spending limits.....	-437	-1,670	N/A	N/A
Violent Crime Reduction Spending				
Violent Crime Reduction spending limits ¹	5,800	4,953	4,500	5,554
Amount previously enacted.....	5,797	4,946	4,500	5,554
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	---	---	---	---
Total enacted, Violent Crime Reduction spending.....	5,797	4,946	4,500	5,554
Appropriations over/under (-) spending limits.....	-3	-7	---	---

Table 2.
ENACTED APPROPRIATIONS AS OF MAY 26, 1999
(in millions of dollars)

	FY 1999		FY 2000	
	BA	Outlays	BA	Outlays
Highway Category Spending				
Highway Category spending limits ¹	---	21,991	---	24,574
Amount previously enacted.....	---	21,568	---	24,574
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	---	---	---	---
Total enacted, Highway Category spending.....	---	21,568	---	24,574
Appropriations over/under (-) spending limits.....				

Mass Transit Category Spending				
Mass Transit spending limits ¹	---	4,401	---	4,117
Amount previously enacted.....	---	3,942	---	4,117
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	---	---	---	---
Total enacted, Mass Transit spending.....	---	3,942	---	4,117
Appropriations over/under (-) spending limits.....				

Other Discretionary Spending				
Other Discretionary Spending limits ¹	N/A	N/A	531,771	536,700
Amount previously enacted.....	N/A	N/A	---	---
Amount Provided in P.L. 106-31, the FY 1999 Emergency Supplemental Appropriations Act ²	N/A	N/A	79	42
Total enacted, Other Discretionary spending.....	N/A	N/A	79	42
Appropriations over/under (-) spending limits.....				
N/A				
N/A				
-531,692				
-536,658				

Table 2.
ENACTED APPROPRIATIONS AS OF MAY 26, 1999
(in millions of dollars)

FY 1999		FY 2000	
BA	Outlays	BA	Outlays

NOTES

- ¹ FY 1999 and FY 2000 limits are the limits included in the Preview Report that was transmitted to the Congress on February 1, 1999. They include: enacted emergency appropriations, released contingent emergency appropriations, and other adjustments permitted under the Budget Enforcement Act (BEA) of 1997.
- ² Amounts shown do not include \$13.1 billion in emergency funding which was included in P.L. 106-31. These amounts will be included, and the corresponding cap adjustments will be made, when OMB issues the August Update Report.