

Overview of Fiscal Year 2013 Appropriations

Choose an agency below to view AGI's analysis of the President's request for key geoscience-related agencies as well as detailed program and account information. Each of the appropriations pages provides a summary table, an overview of the budget request, and congressional action on the agency or department.

- Commerce (NOAA, NIST)
- Energy & Water (DOE)
- Interior (USGS)
- NASA
- National Science Foundation (NSF)

As in years past, AGI will provide testimony to several subcommittees on programs of importance to the geoscience community. You can stay up-to-date on the budget process and appropriations by fiscal year with the Library of Congress Appropriations and Budget page. The AAAS R&D Budget and Policy Program provides information on trends in federal research and development funding, including information on the president's budget request and appropriations bills.

Appropriations Update

Sequestration Update for November 2012 (11/12)

In November 2012, House Republicans and the Obama Administration exchanged their opening proposals for a deal to avert the "fiscal cliff," a combination of tax increases and mandated budget cuts set to occur on January 2, 2013.

President Obama's proposal, delivered on November 14, included \$1.6 trillion in new tax revenue and \$400 billion in cuts from health-care spending over ten years. It would contain \$50 billion in new stimulus spending and would increase the debt ceiling. The majority of the new tax revenues would come from the expiration of the Bush-era tax cuts for individuals making more than \$250,000 per year, something the Republicans adamantly oppose. House Speaker John Boehner (R-OH) called the president's offer "a non-serious proposal."

The House Republicans offered a counter-proposal on December 3 that includes \$800 billion in new revenue over ten years generated by overhauling the tax code. It would cut \$600 billion from health-care programs over ten years largely by increasing the Medicare eligibility age from 65 to 67 and cut discretionary spending by \$300 billion. The Republicans said their plan is based off a framework written in 2011 by former president Bill Clinton's Chief of Staff Erskine Bowles, though Bowles dismissed the comparison. Democrats rejected the offer citing the proposed cuts to social safety-net programs and arguing that Republicans have not explained how they can generate tax revenue without harming the middle class.

As the deadline for a deal rapidly approaches, many expect Congress to handle the issue in a two-step framework. First, Democrats and Republicans would agree legislation averting tax hikes for the middle class and containing a package of entitlement spending cuts. The second step would be an agreement containing more specific tax and entitlement reform appearing sometime in 2013.

Appropriations and Sequestration Update (10/12)

Due to the elections in early November, Congress has not made any progress in appropriations for fiscal year (FY) 2013 beyond the continuing resolution (CR, H.J. Res. 117) passed in September. The CR will fund the government through March 2013 at a 0.6 percent increase over FY 2012 levels. Passing the six month CR gives Congress time to deal with the more pressing issues such as the sequester and the expiration of the Bush tax cuts during the lame duck. While no one in Washington knows what Congress will do to avoid the sequestration, there are several potential scenarios that could unfold.

The most dangerous scenario that could occur is for Congress to allow the sequester to happen. This outcome would be devastating to the economy in the short term and to federal research and development (R&D) in particular. Another scenario would be for the President and Speaker John Boehner (R-OH) to agree on a "big deal" allowing Congress and the President to spend 2013 reforming the tax code, stabilizing entitlement programs, and focusing on other issues. While this scenario is probably

the best outcome possible, it will be extremely difficult for the President and Boehner to find a deal that can pass the House and the Senate before January.

The two more likely scenarios are for Congress to delay the sequester for a year and spend the lame duck dealing with tax reform or to simply pass a six-month or yearlong extension of the status quo.

Appropriations Update for September 2012 (09/12)

In September, Congress passed a continuing resolution (CR, H.J. Res. 117) to fund the government through March 2013, the Office of Management and Budget (OMB) released a report on the estimated percent reductions for exempt and non-exempt discretionary and mandatory spending, and the American Association for the Advancement of Science's (AAAS) Research and Development Budget and Policy Program released an analysis of the impacts of sequestration on federal science budgets. The Senate Interior and Environment Appropriations Subcommittee released a draft FY 2013 appropriations bill which would increase funding for the United States Geological Survey (USGS) and the Environmental Protection Agency.

Because none of the 12 appropriations bills for fiscal year (FY) 2013 were completed before Congress went on recess in September, the House and Senate were forced to pass the CR to continue funding the government before the end of the fiscal year on September 30. The CR funds federal agencies through March 2013 at a 0.6 percent increase over FY 2012 levels.

As required by the Sequestration Transparency Act of 2012 (P.L. 112-577), OMB released a report in September which found defense programs would be reduced by 9.4 percent while nondefense programs would be reduced by 8.2 percent if the sequestration were enacted. AAAS analyzed this report and produced a brief estimating the total cuts to federal R&D spending over the next five years if the sequestration were implemented under several scenarios. The brief, titled "Federal R&D and Sequestration in the First Five Years," presents reduction estimates for science agencies under the spending caps agreed to in the Budget Control Act of 2011 (P.L. 112-25), under the spending caps plus an equal allocation sequestration, and with the spending caps plus a nondefense only sequestration scenario.

On September 25, the Senate Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies released its FY 2013 draft spending bill. Though Congress has already passed the CR to fund the government through March 2013, Subcommittee Chairman Jack Reed (D-RI) and Ranking Member Lisa Murkowski (R-AK) indicated they hope the draft will serve as a roadmap for future spending discussions. An analysis of the draft bill's figures for the USGS and a comparison to the House and President's numbers can be found on the American Geosciences Institute's Geoscience Policy Appropriations web site for the Department of the Interior.

Appropriations Update for August 2012 (08/12)

Congress was not in session for the month of August but the Obama Administration and congressional agencies continued work to define and understand the impacts of the automatic cuts, or sequestration, mandated in the Budget Control Act of 2011 (BCA, P.L. 112-25) upon the failure of the Joint Select Committee on Deficit Reduction.

The Congressional Budget Office (CBO) released a report, "An Update to the Budget and Economic Outlook: Fiscal Years 2012 to 2022," on August 22. The report predicts the budget baseline scenario, which assumes policy changes set to occur in January under current law remain in place, could lead to another recession in 2013 and raise unemployment to 9.1 percent. The CBO predicts that an alternative fiscal scenario, in which the Bush income tax cuts and other tax provisions were to continue permanently and sequestration was avoided, would significantly raise the federal deficit in the long term but would strengthen the economy in 2013. A blog post prepared by the Bipartisan Policy Center and another by the Center on Budget and Policy Priorities summarize the findings of the CBO report.

The Congressional Research Service (CRS) released a report on August 9 that provides the legislative background of the sequestration process, a list of the certain programs that are exempt from sequestration, and special rules that govern the effects of sequestration on others. The report, titled "Budget 'Sequestration' and Selected Program Exemptions and Special Rules," defines sequestration as "a process of automatic, largely across-the-board spending reductions under which budgetary resources are permanently canceled to enforce certain budget policy goals." While the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177), the original authorization of the sequestration, provides a list of programs and types of spending that are exempt from sequestration, there is no definitive list of programs or types of spending that would absolutely be subject to sequestration. The report says, "The impact of sequestration on any given program will depend on the actions and interpretations of [the Office of Management and Budget]." The program exemptions that are listed are mostly mandatory, such as Social Security and Medicaid; low-income programs, including the Children's Health Insurance Program and federal Pell Grants; programs administered by the Department of Veterans Affairs; and any obligated balances, carried over from prior years, for nondefense programs.

The Office of Management and Budget (OMB) released a report on August 20 on another type of sequestration authorized in the

BCA known as the discretionary sequester. If Congress spends more than the caps agreed to in the BCA, a sequestration of discretionary spending is ordered. The report discusses whether a discretionary sequester would occur under the actions taken to date by Congress on discretionary spending bills. Though no fiscal year (FY) 2013 appropriations bills have been passed into law, Speaker of the House John Boehner (R-OH) and Senate Majority Leader Harry Reid (D-NV) have agreed upon a six-month continuing resolution at the \$1.047 trillion cap set by the BCA. Since the CR has not been written, the report does not include any estimates for a discretionary sequester if the CR were to pass.

Appropriations Update for July 2012 (07/12)

On July 31, House and Senate leadership announced an agreement to fund the government for six months at the \$1.047 trillion cap set by the Budget Control Act (BCA, P.L. 112-25). This continuing resolution (CR), set to be voted on and passed in September, is necessary because Congress has not passed any of the 12 appropriations bills that are needed to fund the government beyond September 30. Earlier this month, the House and Senate continued to debate how to protect certain programs from the automatic cuts, or sequestrations, required by law under the BCA, and the House of Representatives approved the fiscal year 2013 Defense Appropriations bill (H.R. 5856) on July 19.

Speaker of the House John Boehner (R-OH) and Senate Majority Leader Harry Reid's (D-NV) agreed-upon stopgap, if passed, will avoid a possible government shutdown a month before the November presidential elections. As of August 1, the CR is just an agreement though Speaker Boehner said that the actual legislation will be written during the August recess set to begin August 4. The CR will have no riders attached and is not expected to deal with the automatic spending cuts or sequestrations set to occur in 2013.

It is still unclear how Congress will deal with the automatic cuts, or sequestrations. In an effort to better understand the effects, the House and Senate worked together to pass the Sequestration Transparency Act of 2012 (P.L. 112-577) on July 25. This law requires the Obama Administration to report the estimated sequestration percentages and amounts necessary to achieve the required reductions for discretionary appropriations and direct spending. A report is due by the end of August.

The House-passed Defense Appropriations bill, H.R. 5856, would provide \$2.1 billion in basic research and \$5.6 billion for the Defense Advanced Research Projects Agency (DARPA). The Committee on Appropriations notes in the accompanying report, "The Committee is concerned about the future of the Nation's workforce, specifically in the science, technology, engineering, and math (STEM) disciplines. These skills are vitally needed within the Department of Defense to maintain United States military superiority. While these skills are underrepresented in the available workforce, minorities especially are underrepresented in these skill sets both in the current workforce and at university levels." The report thus encourages the Department of Defense to support STEM education in undergraduate and graduate programs with a focus on the participation and success of underrepresented minorities. It later recommends that the Department "explore the expansion of programs in science, technology, engineering and mathematics for grades K through 12 that are comprehensive in nature, provide curriculum for in-school and after-school programs, and promote an overall appreciation for the subject matter."

Appropriations Update for June 2012 (06/12)

In June, the House of Representatives debated and passed the Energy and Water Development and Related Agencies Appropriations Act (H.R. 5325), the House Appropriations Committee marked up and passed the Interior and Environment Appropriations bill, and the Senate Armed Services Committee recommended a decrease in total research and development (R&D) funding in a report accompanying the National Defense Authorization Act for Fiscal Year 2013 (S. 3254). The House Interior and Environment appropriations bill would only provide the United States Geological Survey (USGS) with \$967 million with significant cuts affecting the Natural Hazards program, Ecosystems, and Climate and Land Use Change.

The House Appropriations Committee marked up its Interior and Environment bill on June 27 and 28. The bill includes a 17 percent reduction for the Environmental Protection Agency (EPA) and a 10 percent reduction for the USGS. Only Water Resources Programs at the USGS would receive an increase (+\$10 million) while every other mission directorate would see decreases. Significant decreases would affect Ecosystems (-\$45.4 million), Climate and Land Use Change (-\$25.4), Core Science Systems (-\$8.1 million), Energy, Minerals and Environmental Health (-\$8.8 million), and Natural Hazards (-\$37.4 million). Amendments added during the full committee mark up would prevent the EPA from finalizing greenhouse gas regulations on cars for model years after 2017 and another would prohibit the EPA from imposing greenhouse gas regulations on electric utility plants that use fossil fuels. The final version of the bill passed the committee by a vote of 26-19. The Senate Appropriations Committee has not released its Interior and Environment spending bill.

During the first week of June, the House of Representatives continued to debate the Energy and Water Appropriations bill on the floor and several relevant amendments were considered. Amendments were offered to reduce or increase the Department of Energy Office of Energy Efficiency and Renewable Energy (EERE). Representative Randy Hultgren (R-IL) offered an amendment to transfer \$15 million from EERE to the Office of Science. The amendment failed by a vote of 130-256.

Representative Janice Hahn's (D-CA) amendment would have cut \$50 million from the Office of Fossil Energy Research and Development (FE) and transferred another \$50 million from the same account to EERE. Hahn's amendment failed by a vote of 139-245. Several other amendments targeted FE. Representative Gerry Connolly (D-VA) offered an amendment to cut \$25 million from FE's oil shale development program and apply the savings to the spending reduction account. This amendment passed on a vote of 208-207. The House voted to pass the bill 255-165 even though the President issued a Statement of Administrative Policy which noted that he would be advised to veto the bill. The President has threatened to veto all of the House spending bills because they were written under a lower spending cap than the \$1.047 trillion agreed to in the Budget Control Act (P.L. 112-25). The Senate Armed Services Committee's defense authorization bill includes funding levels for R&D similar to the House defense authorization bill (H.R. 4310) and the President's request. In the report accompanying S. 3254, the Senate would authorize \$11.88 billion in total R&D which is slightly less than the House's recommendation of \$11.89 billion but slightly more than the administration's request of \$11.86 billion.

Update on Fiscal Year 2013 Appropriations for May 2012 (05/12)

The House and Senate Appropriations Committees completed work on their respective bills (H.R. 5855 and S.3216) for the Department of Homeland Security for fiscal year (FY) 2013 in May. Total spending for each bill is different by more than \$150 million, signifying the need for reconciliation on spending priorities at a later date.

The House would reduce total support for the Federal Emergency Management Agency (FEMA) to \$712 million for FY 2013 (-\$183 million compared to FY 2012) with \$92 million for Flood Hazard Mapping and Risk Analysis within the FEMA budget. Within DHS, the House bill would provide \$8 million to the Coast Guard for a new polar icebreaker program and \$696 million for research and development related to homeland security. No funds would be provided to support the implementation of the National Ocean Policy.

The Senate bill would increase total support for FEMA to \$979 million, with \$97 million for Flood Hazard Mapping and Risk Analysis. Within DHS, the Senate bill would provide \$8 million to the Coast Guard for a new polar icebreaker program and \$693 million for research and development related to homeland security. No funds would be provided to support implementation of the National Ocean Policy.

The House and Senate Appropriations Committees have been completed work on 7 of 12 appropriation bills and the full House has approved of the Commerce/Justice/Science and Military/Veterans bills. The full House is expected to debate, amend and vote on the Energy and Water appropriations bill in early June with controversy likely regarding support for a Yucca Mountain geologic waste repository and policy riders related to the Clean Water Act.

Office of Management and Budget Releases FY 2014 Budget Guidelines (05/12)

On May 18, the Office of Management and Budget (OMB) released its budget guidelines for fiscal year (FY) 2014. To continue the budget reduction framework emplaced by the Budget Control Act of 2011 (BCA, P.L. 112-25), OMB is requesting federal agencies' budget submissions be five percent less than the net discretionary total provided to the agency in the FY 2013 budget. In addition to the reductions in the budget submissions, OMB is requesting explanations of each agency's general administrative plan, a description of each agency's most cost-effective initiative, a discussion of how savings will be utilized, and at least three suggestions which would improve long-term savings. The guidance advises agencies to cut information technology costs by 10 percent from the 2010-2012 average for the agency.

Appropriations Update for April 2012 (04/12)

Throughout April of 2012, the Appropriations Committees in the House and the Senate continued to prepare appropriations bills for discretionary spending for fiscal year (FY) 2013. The House completed bills for science, energy and water programs (H.R.5326 and H.R.5325) while the Senate completed bills for agriculture, science, energy and water programs (S.2375, S.2323, and S.2465). Most science agencies, except for those within the Department of Energy (DOE), would receive about the same funding as last year with small changes in programs to reflect congressional priorities. The boldest change came from the Senate science appropriators, who called for the transfer of spending for Earth-observing satellites from the National Oceanic and Atmospheric Administration (NOAA) to the National Aeronautics and Space Administration (NASA). The Senate has little faith in NOAA's abilities to manage its satellites and calls for NASA to take over.

House appropriators would reduce spending for science within the Department of Energy (DOE) with cuts for climate science and other basic geoscience-related research compared to fiscal year 2012 (FY12) for Basic Energy Sciences and Biological and Environmental Sciences within the Office of Science. The House remains opposed to the transfer of gas hydrates research from Office of Fossil Energy to the Office of Science and recommends against further development of the Deep Underground Science and Engineering Laboratory (DUSEL).

Senate appropriators would slightly increase spending for science within DOE compared to FY12 and the two chambers will need to compromise on amounts ranging between tens to hundreds of millions of dollars for their slightly different priorities. Far greater

debate and controversy will likely ensue over nuclear waste disposal from nuclear power plants. House appropriators support progress on licensing Yucca Mountain as a long-term geologic repository for nuclear waste and call for \$25 million in FY13, while Senate appropriators support a “pilot program for a consolidated storage facility” with no funding for Yucca Mountain.

House Republicans’ Budget Passes and Committees Consider Appropriations (03/12)

The Republican-led House passed a budget resolution (H. Con. Res. 112) for fiscal year (FY) 2013 on March 29, 2012 before adjourning for a two-week recess. The non-binding resolution would change tax laws and tax rates, reform health care, change Medicare and reduce discretionary spending on most programs except for Defense.

The final vote was divided primarily along party lines with 228 Republicans voting for the resolution and 10 Republicans and 181 Democrats voting against. The resolution sets forth non-binding budget levels for agencies as well as 10-year plans for revenues, outlays and deficits. The cuts for science agencies would be significant and would force the termination of programs and support for research. The resolution sets discretionary spending for FY 2013 to levels below those agreed upon under the Budget Control Act of 2011 (S.365; Public Law 112-25). The resolution is seen by many as a political statement by most Republicans in the House of their preferences for the federal budget. The resolution may be used by both parties in campaigns for the November elections to distinguish party differences regarding federal spending, revenues and entitlements. The Democratic-led Senate and the Obama Administration have voiced opposition to the Republican-led House budget resolution.

The Senate Budget Committee filed a “deeming” resolution on March 20 that sets discretionary spending levels for the Appropriation Committee for FY 2013 based on the requirements of the Budget Control Act. The resolution also sets discretionary caps for the next decade.

The House and Senate Appropriations Committees continue to work on appropriations for FY 2013. Appropriation subcommittees and other committees held hearings on the President’s budget proposal for agencies within their jurisdictions. The American Geosciences Institute provides an overview of appropriations for geosciences research and education with summaries of some hearings.

Administration’s Fiscal Year 2013 Budget Proposal Released (02/12)

On February 13, 2012, the Obama Administration released its budget request for fiscal year 2013 (FY 2013). The request would provide \$142.2 billion for federal research and development (R&D), with defense R&D receiving \$72.6 billion. The request represents a 1.2 percent increase (+\$1.7 billion) for R&D compared to FY 2012. For nondefense geosciences R&D, the request provides small increases to the total budgets of the National Science Foundation (NSF), the National Oceanic and Atmospheric Administration (NOAA), the National Institute of Standards and Technology (NIST), the U.S. Geological Survey (USGS) and the Department of Energy (DOE). The total budget and science budget for the National Space and Aeronautics Administration (NASA) would see small decreases in total funding. The American Geosciences Institute provides an overview of FY 2013 budget decisions for specific geosciences programs.

The Office of Management and Budget (OMB) overview of the FY 2013 budget notes that the request and future spending outlook is tightly constrained by the Budget Control Act of 2011 (S.365; Public Law 112-25). The law limits discretionary spending from FY2012 to FY2021 and would reduce discretionary spending from 8.7 percent of GDP in 2011 to 5 percent in 2022. Congress will need to consider appropriations limited by this decade-long series of automatic spending cuts, which include sequestration (cancellation of budgetary resources). The automatic reductions are supposed to go into affect starting on January 31, 2012. The Congressional Budget Office has estimated that discretionary programs will have to be reduced by about 8 percent in FY 2013. As an example of the possible impact of sequestration, the National Education Association prepared a factsheet of potential reductions in federal education programs. Such automatic cuts would be disastrous to education and to R&D.

The President’s budget overview highlights job creation, education, innovation and manufacturing, infrastructure, tax reform, government efficiency, Medicare, Medicaid and other health program reforms, and defense reductions. Within education the administration provides \$850 million for Race to the Top, \$5 billion for states for teacher enhancements, provisions to ensure college is affordable (e.g. sustains Pell Grant program, prevent student loan interest increases, provides incentives to keep tuitions from rising and makes permanent a tax credit for college).

Congress is beginning to consider the President’s budget request and the constraints of the Budget Control Act. The budget committees in both chambers are now considering budget resolutions, while the appropriations subcommittees in both chambers are waiting for budget allocations. Members of Congress may submit programmatic requests to the subcommittees in March. The Senate Committee on Appropriations announced an extension of the moratorium on earmarks and the House does not allow earmarks on appropriations. The appropriation and authorizing committees in both chambers are holding hearings about the budgets of federal programs. Schedules of hearings and archival information from past hearings are available from the committee

web sites. There is some optimism in Congress that appropriation subcommittees in both chambers will advance their individual appropriation bills by the summer. This would provide a blueprint of possible budget priorities before election year politics stall the appropriation process. Passage of the budget for FY 2013 is not likely until December of 2012 or later.

The President's budget requests for geosciences R&D within non-defense programs are covered in more detail by AGI's Geoscience Policy's overview of FY 2013 budget. The web pages provide budget tables covering specific programs, summaries of agency overviews of budget priorities, updates of congressional actions, and summaries of congressional appropriation hearings.

Sources: Congressional Budget Office, House Budget Committee, THOMAS (Library of Congress)

The Budget Process

Below is a diagram of the congressional budget process that first appeared in *Following the Budget Process* that was published in the March 1996 issue of *Geotimes*. It is adapted from a diagram developed by the House Budget Committee. Click on the image to open a PDF version.

Sources: American Association for the Advancement of Science, E&ENews Publications, House Committee on Appropriations, Library of Congress, Senate Committee on Appropriations, and the White House Office of Management and Budget.

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