

CRS Report for Congress

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Appropriations for FY1999: An Overview

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to CRS reports that provide analytical perspectives on the 13 annual appropriations bills, and other related appropriation measures. It does not include a detailed explanation or description of the budget or appropriations processes.

CRS has numerous written and video products that describe, explain, and analyze the complex federal appropriations process. A selected list of written reports and report summaries can be found in the last sections of this report.

Since this report was last updated, data related to the FY1999 appropriations may have been changed through supplemental appropriations or rescissions, entitlement revisions, or scorekeeping adjustments. These changes will be reflected in the appropriate FY2000 appropriations CRS reports.

NOTE: A Web version of this document with active links is available to congressional staff at [<http://www.loc.gov/crs/products/apppage.html>].

Appropriations for FY1999: An Overview

Summary

This report is an overview of Congressional Research Service (CRS) products that provide department and program information on FY1999 appropriations. It provides information on appropriations spending themes and overall trends in federal government spending. It also summarizes selected congressional actions on budget resolutions, budget reconciliation measures, line item veto actions, and other selected legislation affecting appropriations.

On February 2, 1998, the Administration submitted to Congress its budgetary proposals for FY1999. According to both the Congressional Budget Office and the Office of Management and Budget, budget surpluses are projected for the next few years.¹

The Administration's submission is followed by congressional action on the budget. This includes, in addition to extensive hearings, the annual budget resolution, appropriations bills, and in some years, a reconciliation bill. During the months of deliberation on annual appropriations related legislation, the Administration's original budget proposals are often modified, not only by differences in policy outlook between the President and Congress, but by changing circumstances in the economy and the world.

The annual budget resolution contains overall spending levels. A congressional conference was not held in 1998 to resolve the differences between the two resolutions (H.Con.Res. 284 and S.Con.Res. 86).

The second session of the 105th Congress adjourned *sine die* on October 21, 1998. It passed individually five of the 13 annual appropriations measures, and adopted H.Rept. 105-825, the Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY1999. The Omnibus Act (P.L. 105-277) provides full-year funding for the remaining seven annual appropriations measures and other items. It also funds the eighth measure, Commerce, Justice, State, and the Judiciary appropriations only through June 15, 1998.

In March 1999, Congress passed a FY1999 supplemental relief measure in the 106th Congress. The Senate passed H.R. 1141, which incorporates S. 544, with \$1.8 billion in relief, and the House passed H.R. 1141 with \$1.3 billion in relief. A conference may be called. More recently, Congress and the Administration are expected to seek an additional supplemental to pay for NATO humanitarian operations and domestic defense.

Since this report was last updated, data related to the FY1999 appropriations may have changed. These changes will be reflected in the appropriate FY2000 appropriations CRS reports.

¹ Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 1999*, March 31, 1998.

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Division abbreviations: DSP= Domestic Social Policy; FDT= Foreign Affairs, Defense and Trade; G&F= Government and Finance; RSI= Resource, Science, and Industry.

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Appropriations for FY1999: Department or Agency

Most Recent Developments

During the last days of the 105th Congress both Chambers adopted the conference report (H.Rept. 105-825/P.L. 105-277), the Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY1999, which provides funding for 8 of the 13 annual appropriations measures. The 106th Congress passed supplemental appropriations legislation for FY1999, H.R. 1141. An additional supplemental is expected during this summer (1999) for NATO operations and Balkan humanitarian efforts. For details, see CRS Report RL30083, *Supplemental Appropriations for FY1999: Central America Disaster Aid, Middle East Peace, and other Initiatives*.

Appropriations: Their Context in Government Spending

The President submits his budgetary proposals to Congress and has the constitutional authority to veto² legislation, but it is clearly Congress that controls the power of the purse. The Constitution of the United States, Article I, Section 8, empowers Congress to “pay the Debts and provide for the common Defense and general Welfare of the United States.” The Constitution also empowers Congress to “make all laws which are necessary and proper for carrying into Execution the foregoing Powers” listed in Article I, Section 8. Furthermore, Article I, Section 9, clause 7, provides that “No Money shall be drawn from the Treasury, but in Consequence of Appropriation made by Law...”³ Appropriations laws are the most common means by which Congress provides budget authority.

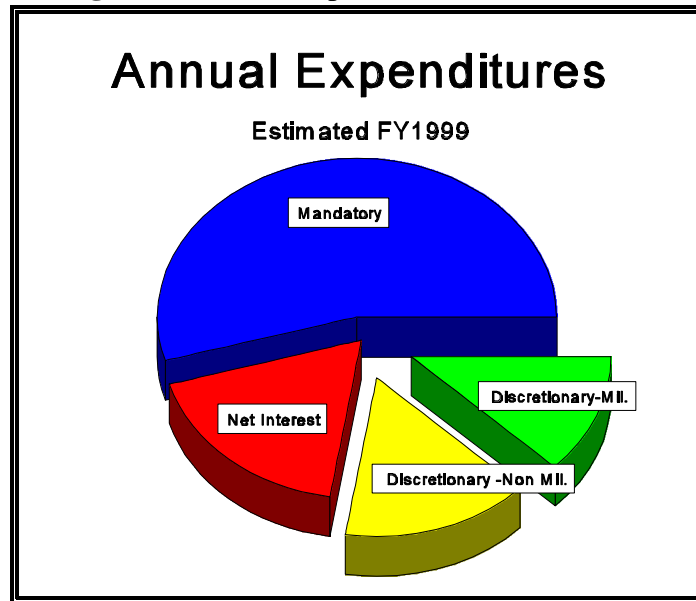
According to the President’s most recent budget, total budget authority for the federal government is expected to exceed \$1.7 trillion in FY1999. Budget authority represents the legal authority for federal agencies to obligate funds. Obligations normally result in outlays (payments from the Treasury, usually in the form of checks, electronic funds transfers, or disbursements of cash). Congress exercises control over the enactment of budget authority, but federal agencies largely determine the flow of outlays.

² The U.S. Supreme Court is scheduled to rule this summer (1998) on the constitutionality of the President’s statutory authority to cancel budget items, P.L. 104-130.

³ U.S. General Accounting Office. Office of the General Counsel. *Principles of Federal Appropriations Law*. 2nd ed. Washington, 1991. v.1, p. 3.

About one-third of the new budget authority that becomes available each year derives from the 13 annual appropriations acts. These acts are under the jurisdiction of the House and Senate Committees on Appropriations. New budget authority also derives from other sources, however, such as entitlement programs funded by permanent appropriations in substantive law (law that establishes, defines, and governs the rights and duties of individuals). Social Security, interest on the public debt, federal retirement and disability programs, Medicare, and unemployment compensation are examples of spending that occur primarily outside the annual appropriations process.

Figure 1. Annual Expenditures, FY1999 (Est.)



Source: Congressional Budget Office, *An Analysis of the President's Budgetary Proposals for Fiscal Year 1999*, p. 2.

The Congressional Budget Act of 1974, as amended, distinguishes between “discretionary” and “mandatory” spending. In the case of discretionary spending, Congress generally may determine without restraint the amount of new budget authority it wishes to provide for such programs, within overall guidelines imposed by budget enforcement procedures. All discretionary spending is provided in the 13 annual appropriations acts; the annual defense appropriations act currently accounts for 45% of discretionary spending.

With regard to mandatory spending, the amount of new budget authority enacted for programs is determined by substantive law or other constraints. Mandatory spending chiefly includes entitlement programs, such as Social Security, in which individuals or governments are “entitled” to benefits if they meet eligibility criteria set forth in law. For the most part, in order to alter mandatory spending levels, Congress must enact legislation changing benefit schedules, eligibility criteria, or other items. Most mandatory spending is provided by permanent appropriations and other funding mechanisms in substantive law, and some is provided in annual appropriations acts, but the House and Senate Committees on Appropriations cannot effectively control the level of such spending.

Actions on annual appropriations acts are guided by two sets of enforcement procedures. These procedures involve the congressional budget process, established by the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344, as amended), and the sequestration and the pay-as-you-go (PAYGO) processes, as established by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177, as amended).

Recent amendments to the Balanced Budget and Emergency Deficit Control Act, sometimes called the Budget Enforcement Act, established limits or caps on discretionary spending. Separate spending limits are set for new budget authority and outlays for three different categories: defense, international, and domestic. Breaches of budget authority or outlays limits for any category trigger sequestration—which may also occur under a PAYGO process—within that category to bring spending down to the level of established limits.

For materials having detailed descriptions, analyses, and background on the congressional appropriations process, CRS has prepared a number of publications. A list of these publications appears in the appendix section of this overview.

Table 1. Outlays for Major Spending Categories: FY1981-1998
(in billions of dollars)

Fiscal Year Outlays	Discretionary Spending	Entitlement/ Other Mandatory Spending	Deposit Insurance	Net Interest	Offsetting Receipts	Total
1981	307.8	339.6	-1.4	68.8	-37.9	678.2
1982	325.8	370.9	-2.1	85.0	-36.0	745.8
1983	353.1	410.7	-1.2	89.8	-45.3	808.4
1984	379.2	405.8	-0.8	111.1	-44.2	851.9
1985	415.7	448.4	-2.2	129.5	-47.1	946.5
1986	438.3	462.0	1.5	136.0	-45.9	990.5
1987	444.0	474.4	3.1	138.7	-52.9	1,004.1
1988	464.2	505.3	10.0	151.8	-56.8	1,064.5
1989	488.6	549.6	22.0	169.3	-63.8	1,143.7
1990	500.3	627.3	57.9	184.2	-58.7	1,253.2
1991	533.0	702.6	66.3	194.5	-105.7	1,324.4
1992	534.0	716.6	2.6	199.4	-68.4	1,381.7
1993	540.4	736.8	-28.0	198.8	-66.6	1,409.4
1994	543.3	784.0	-7.6	203.0	-68.5	1,461.7
1995	545.1	818.2	-17.9	232.2	-79.7	1,515.7
1996	533.8	857.5	-8.0	241.1	-71.9	1,560.5
1997	548.3	896.3	-14	244.0	-87.3	1,601.2
1998	553.6	938.6	-4	243.4	-84.1	1,651.4

Source: Congressional Budget Office (CBO), *The Economic and Budget Outlook: Fiscal Years: 2000-2009*, January 29, 1999, Table F-8.

An annual appropriation is commonly for one fiscal year. Unless obligated and committing the government to current or future payment, the budget authority flowing from the annual appropriations expires at the end of a fiscal year. Such expired budget authority is lost to its agency without subsequent legislation from Congress to restore it. In addition, appropriations are generally for specific purposes and cannot, without clear approval in legislation, be used for new or alternative programs.

Some specific appropriations may include language providing the budget authority for more than one year (multi-year) or for an indefinite period (indefinite authority). A large amount of budget authority is carried over from one year to the next. The Administration estimates that of the \$1,751 billion in total new budget authority, \$368 billion originates from unspent budget authority that has been enacted in prior years. Certain federal activities such as military and public housing construction, most educational activities, and transportation projects require long-term commitments that are commonly provided multi-year budget authority.

Figure 2. Relationship of Budget Authority to Outlays

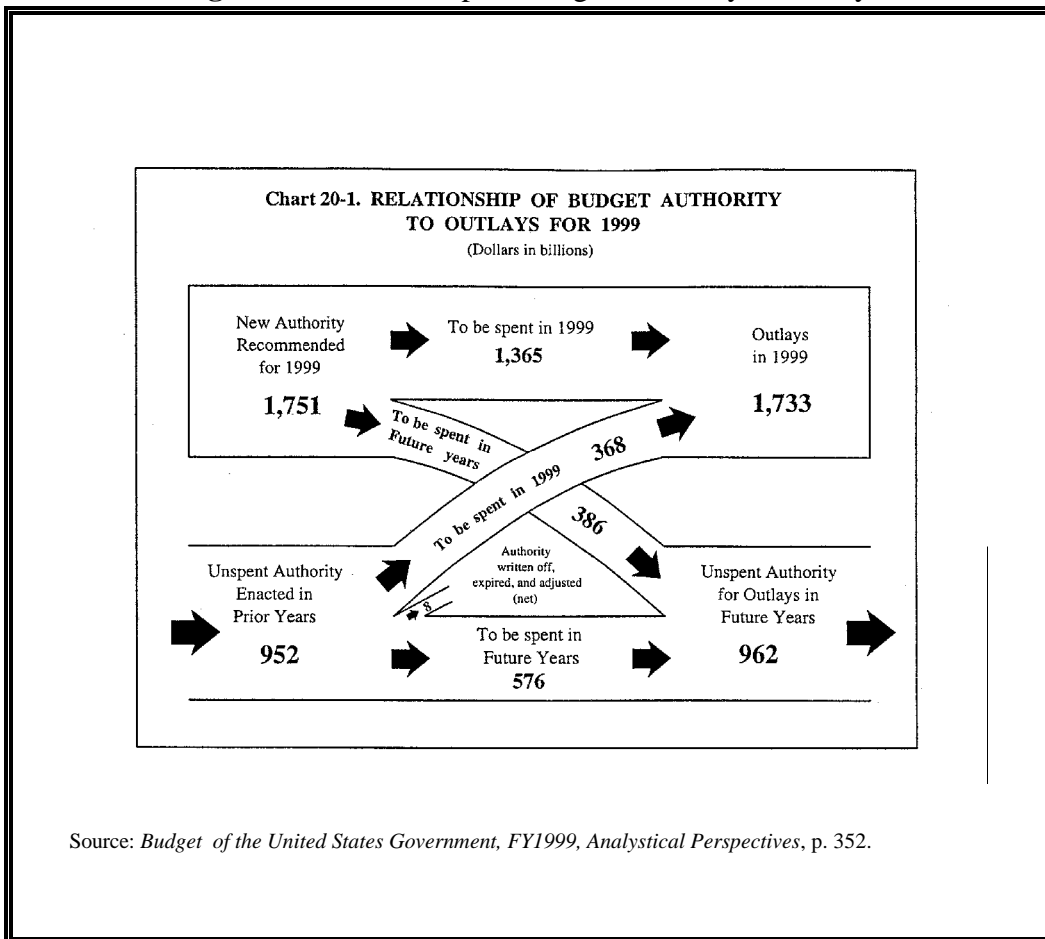


Figure 2 illustrates the relationship between total new budget authority and total outlays for the fiscal year. It shows that not all budget authority is outlayed (spent)

in the fiscal year for which it is provided, and a portion of each year's outlays derives from budget authority enacted in prior years.

Total new budget authority typically exceeds total outlays for a fiscal year because (a) in programs with long lead times, such as construction, it takes time for the resources provided by Congress to be spent; and (b) trust funds—such as Social Security—build up balances (which are computed as budget authority) that are spent in future years.

The outlays set forth in the budget are only estimates of the amount to be spent. Actual outlays for a fiscal year usually vary from the estimate. However, recent changes in the budget process have established controls on annual appropriations acts and other legislation that in turn affect the volume of outlays in a fiscal year.

Unspent budget authority will carry over into future years for both obligated and certain unobligated balances. Most of the obligated balances are for contracts; most of the unobligated balances are in trust funds. [Excerpt from CRS Report 91-902, *Manual on the Federal Budget Process*.]

For more detailed information on the relationships between budget authority and outlays, see CRS Report 98-405, *The Spending Pipeline: Stages of Federal Spending*, and *Budget of the United States Government, Fiscal Year 1999, Analytical Perspectives*, pages 351-2.

Same Appropriations Bills, Different Numbers

- Generally there are 13 annual appropriations bills which are acted upon in the Senate and the same number in the House.
- The 13 annual appropriations bills usually use the House bill numbers for final legislative consideration.
- Senate appropriation actions generally follow the House. However, it is not uncommon for the Senate to take the lead, should the House be delayed for any reason.
- The legislative numbers of Senate appropriation bills (e.g., S. 2159) and those of the House (e.g., H.R. 4101) are initially different.
- If the House appropriations committee **has** reported out an appropriations measure and the Senate **has not** taken up action on its version of the same bill, generally the Senate will insert the text of its amended bill in the House bill, but only after deleting everything in the House bill after its enacting clause. The bill, thus, would contain the Senate text with the House bill number.
- If the House Committee on Appropriations **has not** reported out its appropriations measure, and the Senate **has** passed its version of the same appropriations bill, the Senate in recent years has vitiated (canceled) its previous passage, after the House-passed its version of the same appropriations bill. Next, the Senate would substitute its version of the appropriations bill in the House passed version, deleting everything after the House's enacting clause and passing the bill in the Senate. Thus, the Senate's appropriations bill would have the **identical number** of the House passed bill

but **with its own text**. Records may indicate that it had been passed twice in the Senate.

- The Senate, because of advantages in congressional rules, may also keep its numbered (e.g., S. 2159) bill even after the House has passed its bill (e.g., H.R. 4101). The Senate then changes its number with final passage of its bill.
- A conference is traditionally necessary for ironing out any differences between the two passed bills with identical numbers.

This is a simplified explanation to a complex process. Numerous steps and options have been excluded for the sake of brevity. For detailed information, see CRS Report 98-684.

Appropriations Process Overview

There are numerous forms of budget appropriations. However, the most common definition of appropriations is a provision of law that creates the budget authority that permits a department or agency to spend monies drawn from the Treasury for various purposes and programs. Congress generally acts on 13 annual appropriations acts to fund all discretionary government spending during a fiscal year. These measures are sometimes referred to as “annual” or “regular” appropriations acts. During the current fiscal year in which appropriations already exist, Congress may also propose supplemental appropriations to fund government activities that are judged too urgent, like those associated with relief from a natural disaster, to wait until the following fiscal year’s annual appropriations. Such legislation provides funds for the specific current fiscal year and supplements one or more of the 13 enacted annual appropriations acts.

The federal government operates on a fiscal year cycle, which starts on October 1 and continues through September 30. By the end of the fiscal year, if Congress fails to pass annual appropriations or continuing resolutions or if the President fails to sign or vetoes any type of appropriations legislation, federal agencies must cease nonessential activities due to the lack of funding.⁴ Traditionally, continuing resolutions have been used to provide budget authority to federal departments and programs for a specific period, until annual appropriations acts are enacted. Annual appropriations, supplemental appropriations, and continuing resolutions require passage by both chambers and presidential approval to become law.

Rescission legislation, on the other hand, cancels previously enacted appropriations legislation (that permitted budget authority) before the time when the authority would otherwise end.

The appropriations cycle is exceedingly complex and covers executive budget formulation and transmittal, congressional action, budget execution and control, and audit and review. CRS reports and issue briefs primarily focus on congressional activities.

⁴ For background information on the use of continuing appropriations, see CRS Report 97-892, *Continuing Appropriation Acts: Brief Overview of Recent Practices*, by Sandy Streeter.

The congressional appropriations sequence ideally flows as shown below. However, in practice the process is rarely so simple.

Status Tables

(Bill information will appear when available in the online table at:

[<http://www.loc.gov/crs/products/appover.html>].)

Table 2. FY1999 Annual Appropriations Legislation—Initial Stages

Bill No.	Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage
	House	Senate				
Agric. S. 2159 H.R. 4101	6/16	6/11	105-588 (vv)	6/24 (373/48)	105-212 (27/0)	7/16 (97/2)
Comm. S. 2260 H.R. 4276	7/15	6/25	105-636 (vv)	8/6 (225/203)	105-235 (27/0)	7/23 (99/0)
Def. S. 2132 H.R. 4103	6/17	6/4	105-591 (vv)	6/24 (358/61)	105-200 (27/0)	7/30 (97/2)
District H.R. 4380 S. 2333	7/30	7/21	105-670 (vv)	8/6 (214/206)	105-254 (27/1)	—
Energy S. 2138 H.R. 4060	6/16	6/4	105-581 (vv)	6/22 (405/4)	105—206 (27/0)	6/18 (98/1)
For. Ops. H.R. 4569 S. 2334	9/10	7/21	105-719 (vv)	9/17 (255/161)	105-255 (27/0)	9/2 (90/3)
Interior S. 2237 H.R. 4193	6/25	6/25	105-609 (vv)	7/23 (245/181)	105-227 (27/0)	—
Labor S.2440 H.R. 4274	7/14	9/3	105-635 (32/23)	—	105-300 (vv)	—
Leg. Br. S. 2137 H.R. 4112	6/18	6/4	105-595 (vv)	6/25 (235/179)	105-204 (27/0)	7/21 (90/9)
MilCon S. 2160 H.R. 4059	6/16	6/11	105-578 (vv)	6/22 (396/10)	105-213 (27/0)	6/25 (vv)
Trans. S. 2307 H.R. 4328	7/22	7/14	105-648 (vv)	7/30 (391/25)	105-249 (28/0)	7/24 (90/1)
Treas. S. 2312 H.R. 4104	6/17	7/14	105-592 (vv)	7/16 (218/203)	105-251 (28/0)	9/3 (91/5)
VA/HUD S. 2168 H.R. 4194	6/25	6/11	105-610 (vv)	7/29 (259/164)	105-216 (vv)	7/17 (vv)

Roll call votes are given within parentheses; vv= voice vote; uc= unanimous consent.

Status Tables (cont'd.)(Bill information will appear when available - in the online table at:
[<http://www.loc.gov/crs/products/appover.html>])

Table 2a. FY1999 Appropriations Legislation — Final Stages

Bill No.	Conf. Report	Conf. Report Approval		Public Law
		House	Senate	
Agric. H.R. 4101v S. 2159	H.Rept. 105-763	10/2 (333/53)	10/6 (55/43)	105-277 (10/21)
Comm. H.R. 4276 S. 2260	—	—	—	105-277 (10/21)
Defense H.R. 4103 S. 2132	H.Rept. 105-746	9/28 (369/43)	9/29 (94/2)	105-262 (10/17)
District S. 2333 H.R. 4380	—	—	—	105-277 (10/21)
Energy H.R. 4060 S. 2138	H.Rept. 105-749	9/28 (389/25)	9/29 (uc)	105-245 (10/7)
For. Ops. H.R. 4569 S. 2334	—	—	—	105-277 (10/21)
Interior H.R. 4193 S. 2237	—	—	—	105-277 (10/21)
Labor H.R. 4274 S. 2440	—	—	—	105-277 (10/21)
Legis. Br. H.R. 4112 S. 2137	H.Rept. 105-734	9/24 (356/65)	9/25 (uc)	105-275 (10/21)
Mil. Con. S. 2160 H.R. 4059	H.Rept. 105-647	7/29 (417/1)	9/1 (87/3)	105-237 (9/20)
Trans. H.R. 4328 S. 2307	—	—	—	105-277 (10/21)
Treasury H.R. 4104 S. 2307	H.Rept. 105-789	10/7 (290/137)	—	105-277 (10/21)
VA/HUD H.R. 4194 S. 2168	H.Rept. 105-769	10/6 (409/14)	10/8 (96/1)	105-276 (10/21)

Roll call votes are given within parentheses; vv = voice vote; v=veto; uc = unanimous consent.

P.L. 105-277 is the Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY1999, enacted 10/21/98.

Overview of Congressional Appropriations Actions

- President presents his budget proposals to Congress.
- House and Senate Budget Committees hold hearings on the President's budget, with testimony from the Administration.
- Hearings are held to prepare for crafting the budget resolutions.
- Congressional Budget Office, which is an independent support agency for Congress, assists budget committees through the process with reports on economic forecasts, budgetary analysis, and deficit options.
- House and Senate Appropriations subcommittees hold hearings to review budget justifications from each federal agency.
- House and Senate Budget Committees receive views on spending and revenues from all full committees.
- House and Senate Budget Committees report budget resolutions.
- Each chamber debates and offers amendments to the original resolution.
- Each chamber adopts a concurrent resolution, with differences between the two versions resolved in a conference committee.
- Each chamber adopts the final version.
- House and Senate Appropriations subcommittees hold separate hearings and markups, with possible amendments, to formulate and submit for approval the 13 annual appropriations bills to the full House and Senate appropriations committees.
- Full House and Senate Appropriations Committees hold separate hearings and markups, with possible amendments, to formulate and report the 13 appropriations bills to the respective chambers.
- The House and Senate debate and pass the 13 annual appropriations bills, or if needed adopt one or more continuing resolutions until the passage of pending bills, or adopt an omnibus continuing resolution with funding for the remaining fiscal year. Appropriations language and funding differences between the two chambers are generally resolved in conference committees.
- Appropriations follow the same legislative course as other legislation, affected by congressional rules, congressional procedures, and possible presidential approval or veto (procedure).

Omnibus Spending Measure, FY1999

White House and congressional negotiators met during the final days of the 105th Congress in order to craft the *Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999*. The *Act* has been renamed and inserted in the conference report to H.R. 4328/H.Rept. 105-825. The negotiators indicated that this *Act* provides select facets of recent emergency supplemental proposals, which were not included in the FY1999 Agriculture appropriations conference report. For more details on this measure, see CRS Issue Brief 98044.

Other provisions of the omnibus measure provide full-year funding for federal agencies and programs that did not have their regular, individual FY1999 appropriations legislation enacted. Eight annual appropriations acts—Labor-HHS (H.R. 4274), foreign operations (H.R. 4569), Interior (H.R. 4193), District of Columbia (H.R. 4380), Commerce-Justice-State (H.R. 4276), Transportation (H.R. 4328), Treasury (H.R. 4104), and Agriculture (H.R. 4101)—are funded by the *Omnibus Act*. Commerce-Justice-State (H.R. 4276) was only funded through June 15, 1998, pending a Supreme Court ruling.

For the complete text of the *Omnibus Act* (P.L. 105-277), see the following Internet Web site: [<http://thomas.loc.gov/bss/d105/d105laws.html>].

Continuing Resolutions, FY1999

The federal government operates on a fiscal year cycle, which starts on October 1 and continues to midnight September 30. By the end of the fiscal year, if Congress fails to pass annual appropriations or continuing resolutions or if the President fails to sign or vetoes any type of appropriations legislation, nonessential activities of parts or all of the executive branch may be forced to cease for lack of budget authority.⁵ Traditionally, most continuing resolutions have been signed into law, which provides budget authority to federal departments and programs until annual appropriations acts are enacted.

In 1998, Congress passed a total of six continuing resolutions to provide stopgap government funding for FY1999: H.J.Res. 128, H.J.Res. 133, H.J.Res. 134, H.J.Res. 135, H.J.Res. 136, and H.J.Res. 137. For more details, see CRS Report 98-800, *Fiscal Year 1999 Continuing Resolutions*.

FY1999—Supplemental Appropriations

The Administration and Congress proposed legislation which would provide additional budget authority for the current fiscal year. This type of appropriation typically covers urgent activities not provided for in the 13 annual appropriations measures or when annual appropriations are inadequate. Recently enacted supplementals have provided additional budget authority covering natural disasters and international assistance.

During the last days of the 105th Congress, the House and Senate considered and passed funding for various emergency supplemental and annual appropriations measures in P.L. 105-277. The omnibus act provides funds for American farmers affected by natural disasters and low commodity prices, IMF payments, embassy security and counter-terrorism programs, year 2000 (Y2K) computer requirements, the costs of maintaining U.S. troops in Bosnia, and defense readiness.

In March 1999, both Chambers passed a FY1999 supplemental act, H.R. 1141. The Senate's version incorporated the text of S. 544. A conference thus far has not been planned to reconcile differences between the two versions. More recently, Congress and the Administration are expected to seek an additional supplemental to pay for NATO operations and Balkan humanitarian efforts.

For more details, see CRS Report RL30083, *Supplemental Appropriations for FY1999: Central America Disaster Aid, Middle East Peace, and other Initiatives*.

⁵ For background information on current continuing appropriations measures, see CRS Report 97-892, *Continuing Appropriations Acts: Brief Overview of Recent Practices*, by Sandy Streater, and CRS Report 97-611, *Proposals for an Automatic Continuing Resolution*, by Robert Keith.

Administration Proposals and Congressional Responses

The beginning of this new congressional budget cycle started when President Clinton presented his \$1,747 billion (in outlays) budget proposal to Congress on February 2, 1998. According to CBO's revised (August 1998) analysis, using its own economic assumptions, a surplus of \$80 billion is projected for the fiscal year 1999. In general, the Administration's budget continues last year's themes; however, the FY1999 surpluses are to be used mostly to reduce the debt, and some of the new revenues (tobacco settlement) are proposed to offset new discretionary spending.

The Senate responded by adopting its version, S.Con.Res. 86, of the FY1999 budget resolution on April 2, 1998. The House passed its version of the budget resolution, H.Con.Res. 284, on June 5, 1998. A conference was not held. On October 21, 1998, the Senate adopted S.Res. 312, to amend S.Res. 209 in order to provide appropriate spending levels in the Senate from FY1999 to FY2003.

Past Veto Threats

The Administration voiced opposition to seven (Commerce, Defense, District of Columbia, foreign operations, Interior, Labor, and Veterans) of the 13 appropriations bills for FY1999. The President on October 7, 1998, vetoed the FY1999 Agriculture appropriations act (H.R. 4101). For detailed information on this aspect of the appropriations process, see the following Web site: [<http://www.whitehouse.gov/WH/EOP/OMB/SAP/>].

Line Item Veto

The Line Item Veto Act of 1996 (P.L. 104-130) amended the Congressional Budget and Impoundment Control Act of 1974. It provided the President with "enhanced rescission authority" to cancel certain items in appropriations, entitlement, and some revenue laws. The President could have invoked the cancellation authority if he had determined that such an action reduced the federal deficit and would not have harmed the national interest or impair vital government functions.

During 1997, the President invoked his line item authority on nine of the 13 annual appropriations laws and two reconciliation acts, which canceled 82 items. The total 5-year savings, excluding cancellations that were eventually restored by the Congress or the lower courts, amount to less than \$600 million.

The President's line item veto authority was ruled unconstitutional on June 25, 1998 by the U.S. Supreme Court (6 to 3). Presidential line item authority and this ruling had little effect on overall FY1999 spending levels.

**Table 3. Annual Appropriations:
President's Request and Amount Enacted**

(by calendar year, 1981-1998; budget authority in billions of dollars)

Year	Amount requested	Amount enacted	Difference
1981	\$541.8	\$554.5	\$12.7
1982	507.8	514.8	7.1
1983	543.0	551.6	8.6
1984	576.3	559.1	-17.2
1985	588.7	583.4	-5.3
1986	590.3	577.3	-13.0
1987	618.3	614.5	-3.8
1988	621.3	626.0	4.7
1989	652.1	666.2	14.1
1990	704.5	697.3	-7.3
1991	756.4	748.5	-8.0
1992	776.1	764.5	-11.6
1993	818.1	788.6	-29.5
1994	786.2	783.8	-2.5
1995	804.2	761.1	-43.1
1996	801.2	793.4	-7.8
1997	799.2	787.6	-11.6
1988	859.8	864.0	4.2

Source: House Committee on Appropriations, 3/29/99. Totals include discretionary and some mandatory spending.

Select Spending Themes: FY1999

Downsizing Government

Federal civilian employment (excluding the Postal Service), as measured by a full-time-equivalent (FTE) standard, continues to decline under current budget proposals. Initiated by executive and congressional actions in 1993 and 1994, statistics show at the end of FY1997 reductions of 320,500 FTEs, which exceeded 117% of the mandated reduction target. For FY1999, the Administration projected that FTE reductions will number 331,100, more than meeting the mandated target by 58,200. The Postal Service, when measured by the same standard, increased by 72,379 from FY1993 to FY1997. (See CRS Issue Brief, 98024, *Federal Civilian Employees and the FY1999 Budget*, and CRS Report 96-329, *Federal Civilian*

Employees Reductions.) For additional federal employee data, see the Office of Personnel Management's Home Page at:

[<http://www.opm.gov/fedata/html/113ainfo.htm>].

In addition, since 1994, the U.S. Department of Agriculture (USDA) reduced its total workforce by about 16,000 (12%), and it is closing or moving approximately 1,200 field offices, as part of a long term effort to reorganize and streamline department operations. The Administration's FY1999 budget contained provisions that would further reduce the workforce by 2000 staff years in FY1999. (For background see, CRS Report 97-386, *USDA Field Office and Staff Cuts*.)

The Department of Housing and Urban Development (HUD) recently finalized its administrative reform program. HUD restructured some of its operations by consolidating daily functions into "back office centers" and "storefronts" within local communities. (For more information on this issue, see CRS Report 98-345, *The Budget of the Department of Housing and Urban Development: FY1999*.)

The National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH) were recently threatened with severe funding cuts. Some argue that both federal agencies should be abolished altogether, contending that the federal government should not be in the business of supporting culture. They also argue that culture can and does flourish on its own through private support. Proponents of federal support for arts and humanities argue that the federal government has a long tradition of such support. Advocates for the private sector say that they are unable to fill the gap that would be left by the loss of federal funds for the arts. The FY1999 Omnibus Appropriations Act, P.L. 105-277 provided \$98 million for NEA and \$110.7 million for NEH. (See CRS Report 97-539, *Arts and Humanities: Funding and Reauthorization in the 105th Congress*.)

The agencies within the Legislative Branch, since calendar year 1994, have collectively eliminated 4,354 FTE positions. This represents a 15.7% reduction through various downsizing programs.

Reduction of Payments for Individuals

Almost 65% of federal spending is for social spending programs, and the majority of this type of mandatory spending on individuals is not generally controlled by annual appropriations. Federal funding for most of the discretionary social spending can be found in the annual Labor, Health and Human Services, and Education appropriations act (H.R. 4328).

The Old-Age, Survivors, and Disability Insurance (OASDI) Programs provide monthly benefits and services to retired and disabled workers, their dependents, and survivors. The OASDI Programs are commonly known as "Social Security." Although OASDI's income currently exceeds its outlay payments, long-term federal projections indicate program deficits. Congress and the Administration continue to debate proposals that would use projected budget surpluses to address the issues of future Social Security solvency. (See CRS Report 98-799, *Social Security: The Protect Social Security Account*.)

National Defense Spending

Defense spending represents approximately one-half of all discretionary spending for FY1999, and it is usually one of the largest of the 13 appropriations bills. The annual defense appropriations bill provides funds for military functions of the Department of Defense (e.g., personnel pay and benefits, weapons procurement, operations and maintenance, and research and development, etc.)

Recent reductions in the defense spending have been achieved principally by cutting the size of the armed forces and by modifying the pace of weapons modernization.

The conference report to H.R. 4103 (H.Rept. 105-746/P.L. 105-262) provides FY1999 spending totals that are within the parameters of last year's budget agreement. The projected spending trend contains no increases beyond inflation for 5 outyears. (For more details, see CRS Report 98-115, *Defense Budget for FY1999: Data Summary* and CRS Issue Brief 98044.

For Additional Reading

Budget Process

CRS Report 98-558, *Appropriations Bills: What is Report Language?*, by Sandy Streeter

CRS Report 95-920, *Appropriations Measures and Amounts: Summary Tables*, by Sandy Streeter and Matthew Ginsburg.

CRS Report 97-947, *The Appropriations Process and the Congressional Budget Act*, by James V. Saturno.

CRS Report 94-1005, *The Authorization, Appropriations, and Budget Process in Congress: An Introduction*, by Stanley Bach.

CRS Report 97-684, *The Congressional Appropriations Process: An Introduction*, by Sandy Streeter.

CRS Report 98-518, *Earmarks and Limitations in Appropriations Bills*, by Sandy Streeter.

CRS Report 98-720, *Manual on the Federal Budget Process*, by Robert Keith.

CRS Report 97-865, *Points of Order in the Congressional Budget Process*, by James V. Saturno.

General Budget

CRS Issue Brief 98012. *The Budget for Fiscal Year 1999*, by Philip D. Winters.

CRS Issue Brief 98011. *Research and Development Funding: Fiscal Year 1999*, by Michael E. Davey.

CRS Report 98-199. *Budget FY1999: A Chronology with Internet Access*, by Mary Frances Bley.

CRS Report 98-467, *Proposed and Actual Budget Totals for the Fiscal Years 1908 Through 1997*, by Phillip D. Winters.

Annual Appropriations Categories:

(Note—federal agencies may receive funds from more than one appropriations act.)

Agriculture, Rural Development, FDA, and Related Agencies

CRS Report 98-201, *Appropriations for FY1999: U.S. Department of Agriculture*, coordinator Ralph M. Chite.

CRS Report 98-952, *The Emergency Agriculture Provisions in the FY1999 Omnibus Appropriations Act*, by Ralph M. Chite.

CRS Report 98-582, *Food and Nutrition Programs: FY1999 Budget and Appropriations*, by Jean Yavis Jones.

Commerce, Justice, State, the Judiciary, and Related Agencies

CRS Report 98-209, *Appropriations for FY1999: Commerce, Justice, and State, the Judiciary, and Related Agencies*, coordinator Edward Knight.

CRS Report 98-237, *Civil Rights Enforcement: Proposed FY1999 Appropriations*, by Leslie W. Gladstone.

CRS Report 98-269, *Immigration and Naturalization Service's FY1999 Budget*, by William J. Krouse.

CRS Report 98-624, *State Department and Related Agencies FY1999 Appropriations*, by Susan B. Epstein.

Defense (National Security)

CRS Report 98-205, *Appropriations for FY1999: Defense*, coordinator Stephen Daggett.

CRS Report 98-155, *Defense Budget for FY1999: Data Summary*, by Stephen Daggett and Mary T. Tyszkiewicz.

CRS Report RS 20151, *National Guard and Reserve Funding, FY1990-2000*, by Mary T. Tyszkiewicz.

CRS Report 98-756, *Defense Authorization and Appropriations Bills: A Chronology, FY1970-1999*, by Gary K. Reynolds.

District of Columbia

CRS Report 98-213, *Appropriations for FY1999: District of Columbia*, coordinator Nonna A. Noto.

Energy and Water Development

CRS Report 98-207, *Appropriations for FY1999: Energy and Water Development*, co-coordinators Marc Humphries and Carl Behrens.

CRS Report 98-256, *Department of Energy FY1999 Research and Development Budget: Description and Analysis*, by Richard E. Rowberg.

Foreign Operations

CRS Report 98-211, *Appropriations for FY1999: Foreign Operations, Export Financing, and Related Programs*, coordinator Larry Nowels.

CRS Report 98-104, *Israel: Proposed Changes In U.S. Foreign Assistance, FY1999*, by Clyde R. Mark.

CRS Report 98-388, *Middle East and North Africa: Table Comparing U.S. Foreign Aide, FY1997, FY1998, and Requested FY1999*, by Clyde R. Mark.

Interior

CRS Report 98-206, *Appropriations for FY1999: Interior and Related Agencies*, coordinator Alfred R. Greenwood.

CRS Report 98-479, *Department Interior Budget Request for FY1999: An Overview*, by Alfred R. Greenwood.

Labor, Health and Human Services, Education, and Related Agencies

CRS Report 98-203, *Appropriations for FY1999: Labor, Health and Human Services, and Education*, coordinator Paul M. Irwin.

CRS Report 98-268, *Federal Budget: Social Spending in the President's FY1999 Budget*, by Dawn Nushcler.

CRS Report 98-415, *Federal Budget: Social Spending Targets in the FY1999 Senate Budget Resolution*, by Dawn Nushcler.

Legislative Branch

CRS Report 98-212, *Appropriations for FY1999: Legislative Branch*, coordinator Paul E. Dwyer.

Military Construction

CRS Report 98-210, *Appropriations for FY1999: Military Construction*, coordinator Mary T. Tyszkiewicz.

Transportation

CRS Report 98-208, *Appropriations for FY1999: Department of Transportation and Related Agencies*, coordinator Duane Thompson.

CRS Report 98-63, *Transportation Trust Funds: Budgetary Treatment*, by John W. Fischer.

Treasury, Postal Service, Executive Office of the President, and General Government

CRS Report 98-202, *Appropriations for FY1999: Treasury, Postal Service, Executive Office of the President, and General Government*, coordinators Sylvia Morrison and Sharon Gressle.

Veterans Affairs, HUD, and Independent Agencies

CRS Issue Brief 98031. *Environmental Protection Agency: An Analysis of Key FY1999 Budget Issues*, by Martin R. Lee.

CRS Report 98-204, *Appropriations for FY1999: VA, HUD, and Independent Agencies*, coordinator Dennis W. Snook.

CRS Report 98-345, *The Budget of the Department of Housing and Urban Development (HUD) FY1999*, by Susan M. Vanhorenbeck.

CRS Report 98915, *Rural Housing Programs: Fiscal Year 1999 Appropriations and Amendments*, by Bruce E. Foote.

Selected World Wide Web Sites

General

Only for congressional offices: [<http://www.congress.gov/>]

Public: [<http://thomas.loc.gov/>]

Congressional

Appropriations Committee (House).
[<http://www.house.gov/appropriations>]

Appropriations Committee (Senate).
[<http://www.senate.gov/committee/appropriations.html>]

Congressional Budget Office.

[<http://www.cbo.gov/>]

CRS Appropriations Products Page (FY1999).

Only for congressional offices: [<http://www.loc.gov/crs/products/apppage.html>]

Executive Agencies

Office of Management and Budget.

[<http://www.whitehouse.gov/WH/EOP/OMB/html/ombhome.html>]

Agriculture Department.

[<http://www.usda.gov/agency/obpa/Budget-Summary/1999/text.html>]

Commerce Department.

[<http://www.doc.gov/bmi/budget/>]

Defense Department.

[<http://www.dtic.mil/comptroller/99budget/>]

Education Department.

[<http://www.ed.gov/offices/OUS/Budget99>]

Energy Department.

[<http://www.cfo.doe.gov/budget/htmltoc.htm>]

Environmental Protection Agency.

[<http://www.epa.gov/ocfo/budget.htm>]

Health and Human Services.

[<http://www.hhs.gov/progorg/asmb/budget/fy99budget/>]

Housing and Urban Development

[<http://www.hud.gov/budget99/justif99/summtab/bdau9799.html>]

Interior Department.

[<http://www.doi.gov/budget/>]

Justice Department.

[<http://www.usdoj.gov/jmd/irm/imss/1999-budget/index.html>]

National Aeronautics and Space Administration.

[http://www.nasa.gov/budget/99budget_summary.html]

State Department.

[<http://www.state.gov/www/budget/index.html>]

Transportation Department.

[<http://ostpxweb.dot.gov/budget/4budget.htm>]

Summaries of Annual Appropriations Spending

This section contains the full summaries (excerpted) from the CRS annual FY1999 appropriations reports. The reports are alphabetically arranged, and the report numbers are provided.

U.S. Department of Agriculture and Related Agencies

CRS Report 98-20. The conference agreement on the FY1999 omnibus appropriations bill (P.L. 105-277/H.R. 4328) was signed into law on October 21, 1998. The measure contains \$55.9 billion in regular FY1999 appropriations for the U.S. Department of Agriculture and related agencies and \$5.9 billion in emergency disaster and economic assistance for agriculture, for a total of \$61.8 billion. The House and Senate earlier had approved a separate conference agreement for FY1999 USDA appropriations (H.R. 4101), but the President vetoed the measure because its emergency provisions did not authorize an increase in the loan rates, or farm price guarantees, for growers of certain crops.

Republican leadership strongly opposed any increases in the loan rates, but instead agreed to increase the total level of direct farm assistance from the \$4.2 billion provided in the vetoed version of H.R. 4101, to \$5.9 billion in P.L. 105-277. A budget emergency was declared for this amount, which by definition requires no budgetary offsets for the new spending. The \$5.9 billion in emergency funding includes: \$3.057 billion in "market loss" payments, of which \$2.857 billion is for grain and cotton farmers and \$200 million for dairy farmers; \$1.5 billion for 1998 crop loss payments; \$875 million for farmers affected by multiple years of disasters; \$200 million in livestock feed assistance; and \$31 million to cover the cost of making or guaranteeing \$440 million in additional farm operating loans.

The \$55.9 billion in regular USDA and related agencies appropriations for FY1999 in P.L. 105-277 is about equal to the House-passed level (H.R. 4101), \$1.2 billion below the Senate-passed level (S. 2159), and \$2.1 billion below the Administration request. Of this amount, \$42.25 billion is for mandatory programs and \$13.69 billion for discretionary spending. Even excluding the additional emergency aid spending, total budget authority is significantly higher than the \$49.5 billion appropriated in FY1998, mainly because of a change in the formula for determining how much is required to reimburse the Commodity Credit Corporation (CCC) for its net realized losses. In order to stay within the discretionary spending allocation for the bill, P.L. 105-277 either limits or eliminates FY1999 funding for several mandatory programs. It prohibits the spending of any of the \$60 million authorized for FY1999 for the Fund for Rural America, and reduces spending for commodities in the Emergency Food Assistance Program (EFAP) by \$10 million. The law also concurs with a House provision to prohibit the FY1999 spending (\$120 million) for a new mandatory agricultural research program; restrict the amount of acreage that can be enrolled in the Wetlands Reserve Program; and limit payments in the Environmental Quality Incentives Program (EQIP).

P.L. 105-277 also extends the statutory deadline for federal milk marketing order reform from April 4 to October 9, 1999; waives the statute of limitations on certain civil rights complaints against USDA; modifies eligibility for farm loans; and makes additional changes to trade sanction policy. A House provision to prohibit FDA from approving the abortion drug RU-486 was deleted in conference on H.R. 4101, after the President threatened a veto if the provision was included.

Commerce, Justice, and State, the Judiciary, and Related Agencies

CRS Report 98-209. This report tracks action by the 105th Congress on FY1999 appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and other related agencies (often referred to as CJS appropriations). P.L. 105-119 (H.R. 2267) appropriated \$32.1 billion for these agencies for FY1998. The President's FY1999 budget sent to Congress on February 3, 1998, requested about \$34.4 billion for these agencies, about a \$2 billion increase or 6.2% above the FY1998 total. Among major agencies, this request called for substantial increases in appropriations for the Judiciary and Department of Commerce, and moderate increases for the Departments of Justice and State.

The bill that was finally passed Congress as part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY1999 (H.R. 4328, P.L. 105-277) approves \$33.7 billion, about \$1.6 billion (or about 5%) above that funded for FY1998 and \$700 million below the President's request. Congress, however, placed a time limitation on all funding for agencies covered by CJS appropriations, pursuant to section 626 of Title VI of the CJS appropriations sections of the Omnibus measure. All funding will cease to be available after June 15, 1999, unless continued by enactment of a continuing resolution prior to that date. The reason for this limitation is the unresolved question regarding the use of statistical sampling in the 2000 decennial census which is pending before the Supreme Court.

The major CJS appropriations issues or concerns that received attention in both Houses include the following. *Department of Justice:* extending the 1994 Crime Act funding authorization beyond FY2000 under the Violent Crime Reduction Trust Fund; eliminating most funding under the 1994 Crime Act for Title III crime prevention programs and all funding for the Title V drug courts program; increasing funding for drug-related programs; changing the focus for the Department of Justice's Office of Juvenile Justice and Delinquency Prevention; determining the adequate level of resources for the Immigration and Naturalization Service to implement provisions of recently enacted legislation; and the question of reorganizing the federal immigration system. *Department of Commerce:* the progress made in streamlining and downsizing Department programs; the use of statistical sampling in conducting the forthcoming the decennial census; the Department's role in minority business programs; the use of Patent and Trademark Office patent fees to fund operations; federal financial support of industrial technology development programs; and implementing Weather Service modernization at the National Oceanic and Atmospheric Administration. *Department of State:* increasing funding for embassy security; possible reorganization of foreign policy agencies of State, USIA, and other foreign policy agencies; and the payment of arrears to the United Nations. *The Judiciary:* the efficient utilization of judicial resources; containing the costs of the Defender Services account; and the merits of increasing judges' salaries. *Other Related Agencies:* adequacy of funding for the Legal Services Corporation; and adequacy of funding of the Equal Employment Opportunity Commission given a rapidly growing workload of civil rights cases.

Defense

CRS Report 98-205. Congress completed action on FY1999 defense authorization and appropriations bills on October 1. The House approved the conference report on the defense authorization bill (H.R. 3616) on September 24 and the Senate on October 1. The President signed the bill into law (P.L. 105-261) on October 17. The House approved the conference report on the defense appropriations bill (H.R. 4103) on September 28 and the Senate on September 29. The President signed the bill into law (P.L. 105-262) on October 17, as well. Later Congress approved additional funding for defense programs in the FY1999 Omnibus Consolidated and Emergency Supplemental Appropriations Act (H.R. 4328, P.L. 105-277), which the House approved on October 20 and the Senate on October 21, and which the President signed later that day.

The authorization conference agreement resolved a number of contentious issues, include restrictions on technology transfers to China in the House bill; gender-integrated basic training, which the House wanted to restrict, while the Senate supported the current system; restrictions on base consolidation included in the Senate bill; options for producing tritium for nuclear weapons; and a few major weapons issues, including funding for the Theater High Altitude Area Defense (THAAD) system and Senate provisions requiring more testing of the F-22 fighter.

The appropriations conference decided to leave a key issue — funding for Bosnia — for action in later legislation. The Senate-passed appropriations bill included \$1.9 billion in emergency funding for Bosnia, as the Administration had requested, but the House bill did not. Funding for Bosnia was subsequently provided in a supplemental appropriations measure approved as part of the Omnibus Appropriations bill. The supplemental measure also included funding for Year 2000 (Y2K) fixes in the Defense Department, for military readiness, for drug interdiction, for missile defense, and for counter-terrorism activities.

Other key issues that Congress addressed this year include base closures, Bosnia policy, and congressional war powers. In action on the defense authorization bill, neither the House nor the Senate agreed to an Administration request to approve a new round of military base closures, so the issue has been put off for renewed debate next year. Both the House and the Senate also debated the U.S. mission in Bosnia. Neither House approved any binding restrictions on the mission, though the authorization conference agreement includes a sense of the Congress statement urging the President to reduce troops levels. The House-passed appropriations bill included a war powers-related provision that would prohibit the expenditure of funds for offensive military actions without advance congressional approval, while the Senate rejected the same language. The Administration threatened a veto if that provision was not removed in conference, and the conference agreement did not to include the measure.

District of Columbia

CRS Report 98-213. The District of Columbia Appropriations Act, 1999, was included as Division A, Section 101(c) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (H.R. 4328, P.L. 105-277), enacted October 21, 1998. Several other sections of the Omnibus Act also contain provisions affecting the District of Columbia. Sections 131 - 134 at the end of Division A appropriated an additional \$125 million in federal funds for the District of Columbia for the economic development corporation, special education in the DC Public Schools, year 2000 information technology, and transportation infrastructure and economic development projects.

The District of Columbia government and the Control Board submitted to Congress a consensus budget for FY1999. The proposed operating budget of \$5.2 billion in local funds had a surplus of \$41 million. FY1999 could thus become the third successive year with a surplus for the District. Under provisions of the District of Columbia Financial Responsibility and Management Assistance Act (P.L. 104-8), the District is to remain under the authority of the Control Board until it has had a balanced budget for four fiscal years in a row. In addition, the District proposed \$1.7 billion in capital expenditures over six years.

The House passed H.R. 4380 by a vote of 214 to 206 on August 7, after adding several amendments on the House floor. The Administration opposed provisions in three of those amendments and threatened a veto they were included in the final bill: federal funding for private school scholarships, barring adoptions by couples not related by blood or marriage, and barring the use of local funds for needle exchange programs for illegal drug use. The first two provisions were not included in the final Act, but the third was. The Senate Appropriations Committee marked up and forwarded S. 2333 on July 21. Efforts in the full Senate to add a school scholarship provision to the bill were a factor in preventing S. 2333 from ever reaching the Senate floor for a vote.

The Congress made only a few adjustments in the District's proposed budget of local funds. It removed the \$453,000 for Advisory Neighborhood Commissions but permitted the reprogramming funds to cover the ANCs. The Omnibus Appropriations Act provides federal funds to pay for added local spending on charter schools, a fire fighters pay raise, an office of citizen complaint review for the police department, and improvements to the Washington Marina. The Omnibus Act also provides federal funds to entities other than the District government to finance justice functions, economic development and infrastructure efforts, and specified programs. Altogether, the DC Appropriations Act and the offset provisions within the Omnibus Act appropriate \$619.590 million in federal funds for the District for FY1999. The DC Appropriations Act includes 69 "general provisions" of policy affecting the operation of the District government. These include repealing the District's recently enacted residency requirement for new employees, and denying the use of local funds for most abortions or for enforcing the provision of health and other employee benefits to unmarried domestic partners, among many other provisions.

Energy and Water Development

CRS Report 98-207. The Energy and Water Development appropriations bill includes funding for civil projects of the Army Corps of Engineers, the Department of the Interior's Bureau of Reclamation, much of the Department of Energy (DOE), and a number of independent agencies, including the Appalachian Regional Commission, the Nuclear Regulatory Commission (NRC), and the appropriated programs of the Tennessee Valley Authority (TVA). The Administration requested \$21.7 billion for these programs for FY1999 compared with \$21.0 billion appropriated for FY1998 and \$19.97 billion for FY1997. The Senate, by a vote of 98-1, approved the Energy and Water bill (S. 2138) on June 18, 1998, for a total of \$21.4 billion. The House, by a vote of 405-4 approved its version of the bill (H.R. 4060) on June 22, 1998 for \$21.1 billion. The conference agreement, appropriating \$21.2 billion, was reported out September 25, 1998. The conference report (H.Rept. 105-749) was approved by the House September 28, 1998, and approved by the Senate September 29, 1998. The President signed the bill October 7, 1998.

Key issues involving the Energy and Water Development appropriations programs included:

- Sharp cuts in the Corps of Engineers construction request. However, the House and Senate prevailed in supporting \$1.43 billion, nearly double the amount of the request.
- Significant proposed increases in DOE's research and development programs and in the nuclear weapons program. Increases over FY1998 were approved by Congress, but the amount agreed to was 3.1% below the Administration's request. The nuclear weapons budget was hiked by about \$300 million over the FY1998 amount.
- DOE's proposed "accelerated cleanup" of former weapons sites. Environmental cleanup programs were supported at near the level of the DOE request. However, the requested amount for the privatization of DOE waste management projects was cut in half by Congress.
- Increased funding for nuclear energy programs. Congress supported funding for nuclear energy programs at \$41 million over FY1998 but \$42 million less than the DOE request.
- Continued funding of TVA's non-power programs. Funding for TVA was not included in the Energy and Water Development bill for FY1999.

The FY1999 Omnibus Appropriations Act (P.L. 105-277) added money to several programs funded in the Energy and Water Appropriations bill, including the Corps of Engineers, DOE's renewable energy program and its defense activities program, and TVA.

Foreign Operations, Export Financing, and Related Programs

CRS Report 98-211. The annual Foreign Operations appropriations bill is the primary legislative vehicle through which Congress reviews the U.S. foreign aid budget and influences executive branch foreign policy making generally. It contains the largest share — over two-thirds — of total U.S. international affairs spending. For Foreign Operations programs, President Clinton sought \$13.6 billion in discretionary budget authority for FY1999, nearly \$800 million, or 6% higher than available for FY1998. But unlike a year ago, when the President concentrated most of the added funds requested on a few high priority areas, the FY1999 request asked for increases across a wide array of Foreign Operations programs, including export promotion agencies, development assistance, debt reduction initiatives, the Peace Corps, drug control aid, arrearage payments for multilateral development banks, and others. Israel, Egypt, Russia, Ukraine, and Bosnia would be the largest recipients of bilateral aid, as has been the case in the recent past. Beyond these regular Foreign Operations programs, the President also sought \$17.9 billion for U.S. contributions to two IMF facilities and \$502 million for U.S. arrearage payments to multilateral development banks.

In addition to funding questions, the Foreign Operations debate also included important policy issues, such as priorities of development aid strategies, abortion restrictions on international family planning programs, adjusting Middle East aid allocations, policy restrictions on aid to Russia and Ukraine, and the use of American assistance as a tool in the Armenian-Azerbaijan dispute over Nagorno-Karabakh.

Foreign Operations is one of eight appropriation bills incorporated and enacted in H.R. 4328, the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999. As passed on October 20/21, H.R. 4328 includes \$12.827 billion for discretionary Foreign Operations. In addition, the omnibus bill includes \$539 million to clear U.S. arrears at multilateral development banks, \$399 million in “emergency” Foreign Operations supplementals, and \$17.9 billion for the IMF, funds that are *not* “scored” against the Foreign Operations budget cap, but that provide additional resources for U.S. foreign aid activities. In total, H.R. 4328 provides \$31.63 billion for Foreign Operations in FY1999.

Although this still falls about \$385 million below the President’s request, it provides a substantial increase from what the House and Senate had approved in bills (H.R. 4569 and S. 2334) passed in September. Senior executive branch officials had advised the President to veto these earlier measures because of inadequate funding. Compared with the Senate-passed bill, the higher of the two, budget negotiations between congressional leaders and the White House during the final days of the 105th Congress resulted in \$880 million more for Foreign Operations in FY1999. Much of the additional money included in H.R. 4328 is allocated for former Soviet aid, USAID operating expenses, disaster relief, the Peace Corps and U.S. contributions to the Global Environment Facility. The bill caps international family planning aid at \$385 million, but drops House-passed abortion restrictions. The enacted legislation also initiates a ten year process to phase out economic aid to Israel and trim by half Egypt’s aid, reducing total combined assistance for FY1999 by \$100 million to just over \$5 billion.

Interior and Related Agencies

CRS Report 98-206. The Interior and Related Agencies Appropriations bill includes funding for agencies and programs in five separate federal departments as well as numerous smaller agencies and diverse programs.

On February 2, 1998, the President submitted his FY1999 budget to Congress. The request for Interior and Related Agencies totals \$14.26 billion compared to the \$13.79 billion enacted for FY1998 (P.L. 105-83), an increase of \$470 million. The actual increase for Title I and Title II agencies in the FY1999 request is \$1.17 billion, offset by a nonrecurring appropriation of \$699 million for priority land acquisitions and exchanges in Title V of the FY1998 Interior Appropriations Act. However, the Emergency Supplemental (P.L. 105-174) increased the FY1998 enacted level to a total of \$14.1 billion.

On June 25, 1998, the House and Senate Appropriations Committees reported versions of the FY1999 Interior Appropriations bill. On July 23, the House passed H.R. 4193 by a vote of 245-181, and increased funding by \$60 million to \$13.49 billion. The House-passed bill is \$800 million below the President's request and \$700 million below FY1998. During the debate on H.R. 4193, the House voted 253-173 to restore \$98 million for the National Endowment for the Arts (NEA) following a point of order deleting the funds since NEA had no program authorization.

The House and Senate totals reflect score keeping adjustments (see **Table 3**). Before these adjustments, the Senate bill (S. 2237) is \$168 million more than the House bill. Changes from the House bill include: \$1.2 billion for the Bureau of Land Management (+ \$20 million), \$797.3 million for the Fish and Wildlife Service (+ \$52.5 million), \$1.66 billion for the National Park Service (+ \$55.5 million), \$1.71 billion for the Bureau of Indian Affairs (- \$11.5 million), \$2.62 billion for the Forest Service (+ \$99.7 million), \$1.25 billion for the Department of Energy (+ \$18.4 million), and \$2.25 billion for the Indian Health Service (- \$94 million).

On September 8, the Senate began debate on S. 2237. On September 17, further action on the bill was suspended in favor of other legislative business. The Office of Management and Budget, in a Statement of Administration Policy, suggested the President might veto the bill in its then-current form.

On October 19, following a series of temporary continuing resolutions, a conference report (H.Rept. 105-825) was submitted on H.R. 4328, the Omnibus Consolidated and Emergency Supplemental Appropriations for FY1999. The total for Interior and Related Agencies was \$14.1 billion, matching FY1998 (including the Emergency Supplemental) and higher than passed the House or reported to the Senate. The conference report and the bill passed the House on October 20 and the Senate on October 21, and was signed as P.L. 105-277 by the President on October 21.

Labor, Health and Human Services, and Education

CRS Report 98-203. This report describes the enactment by the 105th Congress of the Departments of Labor, Health and Human Services, and Education, and Related Agencies (L-HHS-ED) Appropriations Act, 1999. This Act provides nearly all discretionary funds for three federal departments and related agencies. The report tracks issues related to FY1999 L-HHS-ED funding, with particular attention to discretionary programs. This report does not track issues related to mandatory L-HHS-ED programs nor the authorizing legislation necessary prior to funding some of the President's FY1999 initiatives.

On February 2, 1998, the President submitted the Administration's FY1999 budget to the Congress. The request was for \$84.5 billion in discretionary funds for L-HHS-ED programs, \$4.1 billion or 5.1% more than the FY1998 amount of \$80.4 billion, enacted primarily through **P.L. 105-78**. On July 20, 1998, the House Appropriations Committee reported **H.R. 4274**, a bill to provide FY1999 L-HHS-ED discretionary appropriations of \$81.9 billion. On September 8, 1998, the Senate Appropriations Committee reported **S. 2440**, a bill to provide \$82.3 billion in FY1999 L-HHS-ED discretionary appropriations. As enacted October 21, 1998, **P.L. 105-277 (H.R. 4328)** provides \$83.3 billion in FY1999 discretionary funds for L-HHS-ED, 3.6% more than the FY1998 amount. Prior to final enactment, six continuing resolutions provided temporary FY1999 funding beyond October 1, 1998.

U.S. Department of Labor (DOL): Major increases were requested by the Administration for the Job Training Partnership Act (JTPA) programs and State Operations of Unemployment Compensation programs. Discretionary DOL funding in FY1998 was \$10.7 billion; the FY1999 enacted amount is \$10.9 billion.

U.S. Department of Health and Human Services (DHHS): The Administration requested major increases for the National Institutes of Health (NIH), the Ryan White AIDS programs, the Substance Abuse and Mental Health Services Administration (SAMHSA), Child Care and Development Block Grant (CCDBG), and the Head Start program. Discretionary DHHS funding in FY1998 was \$32.8 billion; the FY1999 enacted amount is \$36.2 billion.

U.S. Department of Education (ED): Major increases were requested by the Administration for Title I Grants to Local Educational Agencies, Education Technology, an Educational Opportunity Zones initiative, Pell Grants, a College-Schools Partnerships initiative, and the Child Care initiative for 21st Century Community Learning Centers. Discretionary ED funding in FY1998 was \$29.4 billion; the FY1999 enacted amount is \$28.4 billion.

Related Agencies: The Administration requested major increases for the Corporation for Public Broadcasting (CPB) and for discretionary activities under the Supplemental Security Income (SSI) program. Discretionary funding for related agencies in FY1998 was \$7.7 billion; the FY1999 enacted amount is \$7.8 billion.

Legislative Branch

CRS Report 98-212. On October 21, 1998, President Clinton signed H.R. 4112, the FY1999 Legislative Branch Appropriations Bill, into P.L. 105-275. The act contains \$2.350 billion, a 2.7% increase over the FY1998 appropriation of \$2.288 billion. Later the same day, the President signed into law an omnibus appropriations bill that contains FY1999 emergency funding of \$223.7 million for legislative branch activities. These funds were made available to cover expenses associated with the Year-2000 conversion of “information technology systems” (\$16.9 million), to the Capitol Police Board for security of the Capitol complex and the Library of Congress (\$106.8 million), and to the Architect of the Capitol for expenses of “planning, engineering, design, and construction” of a Capitol Visitor Center (\$100 million).

On June 5, 1998, the Senate Committee on Appropriations reported S. 2137, its version of the FY1999 legislative branch budget (S.Rept. 105-204). On June 23, the House Committee on Appropriations reported its version, H.R. 4112 (H.Rept. 105-595). On June 25, the House passed H.R. 4112 (235-179), after agreeing to two amendments, and, on July 21, the Senate passed H.R. 4112, as amended (90-9). Conferees met and cleared the bill on September 18, and the House Appropriations Committee issued the conference report on September 22, 1998 (H.Rept. 105-734). The House adopted the report on September 24, by a vote of 356-65, and the Senate adopted it the following day, by voice vote.

Among the issues considered by both houses were the following—

- (1) Number of additional staff and amount of funds necessary to ensure that Congress makes its computers Year-2000 compliant;
- (2) Funds for additional Capitol complex security, including construction of a Capitol Visitor Center;
- (3) Level of funding needed for capital improvements requested by the Architect of the Capitol;
- (4) Pay of the U.S. Capitol Police;
- (5) Appropriations needed for technology development, including online information, electronic document printing, and continued development of a legislative information system; and
- (6) Funding levels for the congressional support agencies, including the Government Printing Office, the Congressional Budget Office, the Library of Congress (including the Congressional Research Service), and the General Accounting Office.

The legislative budget is not particularly large, only 0.15% of the total federal budget.

Military Construction

CRS Report 98-210. The military construction (MilCon) appropriations bill finances (1) military construction projects in the United States and overseas; (2) military family housing operations and construction; (3) U.S. contributions to the NATO Security Investment Program; and (4) most base realignment and closure costs.

This report reviews the appropriations and authorization process for military construction. The congressional debate perennially centers on the adequacy of the President's budget for military construction needs and the cases for and against congressional additions, especially for Guard and Reserve projects. This year, key Members of Congress have argued that the Pentagon has neither funded nor planned adequately for military construction.

For FY1999, the Administration has requested budget authority of \$7.8 billion. This is down from the FY1996 level of \$11.1 billion, the FY1997 level of \$9.8 billion and the FY1998 level of \$8.9 billion. On May 21, the House passed their version of the FY1998 defense authorization bill, H.R. 3616 (H.Rept. 105-532). On May 7, the Senate Armed Services Committee finished marking up its version, S. 2057 (S.Rept. 105-189). The Senate passed the defense authorization bill on June 25. The conference report (H Rept. 105-736) passed the House on September 24, and the Senate on October 1. The FY1999 authorization bill became Public Law 105-261 on October 17, 1998.

The military construction appropriations subcommittees have finished their work. The conference committee submitted their report (H.Rept. 105-647) for H.R. 4059 on July 24. The House agreed to the conference report (417-1), on July 29, with the Senate agreeing (87-3) on September 1. It became Public Law 105-237 on September 20, 1998.

The conference recommended \$8.450B. The conference committee added \$666M to the President's request. Even with the additional funds, the FY1999 total is \$759M less than what was enacted for FY1998. This is an additional \$216M to the House bill and a reduction of \$31M from the Senate bill.

Military construction accounts received emergency supplemental appropriations money for FY1999 in the Omnibus Consolidation bill (H.R. 4328, H.Rept. 105-825) in October 1998. Due to monsoons in Korea and Hurricanes Georges & Bonnie, military construction projects secured an additional \$209 million in funding.

Appropriations and authorization hearings on the FY1999 military construction budget have highlighted the following issues:

- importance of housing to the quality of life for service members;
- privatization of military family housing and barracks improvements;
- Base Realignment and Closure (BRAC) concerns and environmental issues;
- advanced procurement for Army military construction.

Department of Transportation and Related Agencies

CRS Report 98-208. For FY1999, the U.S. Department of Transportation (DOT) requested total funding of approximately \$43 billion, a 1% increase over the FY1998 enacted level of \$39 billion. The FY1999 budget request for the DOT was similar in many respects to the FY1998 appropriation.

There are many “macro” issues or factors that are influencing the debate over the Administration’s FY1999 budget request. Some of them have been carried over from the previous fiscal year. Complicating the budget process had been the delay associated with reauthorizing many of the Department’s programs.

The recently concluded reauthorization of surface transportation programs will dramatically effect the FY1999 appropriations process. The Transportation Equity Act for the 21st Century (P.L. 105-178, TEA21) provides for an increase in spending at a level above that contemplated in the Administration budget request. In addition, the new legislation provides a new budget environment for highway and transit programs that limits the ability of the appropriations process to alter spending for these activities.

In its FY1999 request, the Administration reiterated that safety is its highest priority, followed by technology development, environmental enhancement, infrastructure needs, and innovative financing. The budget proposal included requests of: \$3.1 billion for direct safety funding; \$30.0 billion for infrastructure investments; \$1.1 billion for transportation research and development (R&D); and \$0.6 billion for Amtrak (See CRS Issue Brief 97030).

On July 15, 1998, the Senate Committee on Appropriations reported S. 2307 (S.Rept. 105-249). The committee recommended total funding of approximately \$47 billion for FY1999. S. 2307 was passed by the Senate on July 24, 1998. Few amendments were made, excepting one controversial proposal to bar the use of federal funds to impose “project labor agreements” on highway and transit fund projects. A compromise substitute was offered.

The House Appropriations Committee reported its own bill (H.R. 4328, H.Rept. 105-648) which would have provided a total of \$46.9 billion, an amount \$4.8 billion greater than FY1998 and \$3.9 billion greater than the amount requested by the Administration. The committee voiced its objections to the impact of TEA21 legislation, whose “firewalls” significantly limited its latitude in funding. According to the report, “These ‘firewalls’ make it virtually impossible for the Appropriations Committee to make downward adjustments to those funding levels in the annual appropriations process over the next 5 years.”

By July 31, both the House and Senate had passed their respective bills; the House bill was referred to the Senate; the Senate substituted its own language; and the House requested a conference on the substitute amendment.

Treasury, Postal Service, Executive Office of the President

CRS Report 98-202. Funding for the Department of the Treasury, the Postal Service, the Executive Office of the President and several independent agencies is part of the Omnibus Appropriations Act for FY1999 (P.L. 105-277), enacted October 21, 1998. Prior to passage of the Omnibus bill, the accounts covered by H.R. 4104, the Treasury and General Government bill, were funded through six continuing resolutions for FY1999.

The funding levels in P.L. 105-277, the same as those in the October 7 conference agreement (H.Rept. 105-760), reflect \$13.44 billion in discretionary funding (using figures adjusted for Congressional Budget Office (CBO) scorekeeping), including \$132 million for the Crime Trust Fund. The President had requested \$13.58 billion and the FY1998 funding level was \$12.73 billion. The Department of Treasury, which receives about half of the funding voted in this bill each year, was voted \$295 million more than it received for FY1998. Of that increase, the Internal Revenue Service (IRS) received \$128 million. Most of the new funding going to the IRS would be devoted to improving customer service and the restructuring of the agency as required under P.L. 105-206.

The net grand total appropriation for the accounts under Treasury and General Government, including mandatory funding, is \$26,772,527,000. After the CBO scorekeeping is factored in, the total is \$27,056,332,000, with \$13,613,547,000 in mandatory funding.

Funding to support technological Year 2000 compliance is included for some accounts. However, the act includes a government wide emergency appropriation for this purpose, which does not require offsets but does require a specific request from the Administration before the funds are released.

The January 1999 adjustment in pay for federal employees will be at the rate of 3.6%, for a combined national and locality-based payment adjustment. However, the bill funds the adjustment at 3.1%, with the agencies expected to absorb the difference. The act prohibits a January 1999 pay adjustment for Members of Congress, federal judges, and executive branch officials. The act also provides enhancements to the Senior Executive Service awards program and reforms the federal firefighter overtime policy.

The act includes two of four controversial provisions which had been dropped when the October 7 conference agreement on H.R. 4104 was issued. Requiring extension of contraceptive coverage to all providers of prescription drug coverage under the Federal Employees' Health Benefits Plan, with certain exceptions, and granting asylum to Haitian refugees already in the United States are in the act. Omitted from the act are provisions which would have required a four-vote majority among the Federal Election Commission membership every four years to retain the general counsel and staff director and set standards for child care at federal facilities.

VA, HUD, and Independent Agencies

CRS Report 98-204. The President signed P.L. 105-276 on October 21, 1998, completing action on FY1999 appropriations for the Departments of Veterans Affairs (VA) and Housing and Urban Development (HUD), and several independent entities including the Environmental Protection Agency (EPA), National Aeronautics and Space Administration (NASA), National Science Foundation (NSF), the Federal Emergency Management Agency, and the Corporation for National and Community Service (CNCS). Congress provided \$93.4 billion for FY1999, up from \$88.4 billion for these agencies in FY1998. The House had approved \$94.4 billion for these agencies for FY1999 in its bill (H.R. 4194); the Senate bill (S. 2168) contained \$93.3 billion; the Administration requested \$93.7 billion, according to the consistent evaluations included with the conference report (H.Rept. 105-769).

Before passage of H.R. 4194, the House had attached the language of H.R. 2, the Housing Opportunity and Responsibility Act, an authorization bill for housing programs that had passed both Chambers, but which had not reached conference. Conferees on the VA-HUD bill included a compromise version of the housing legislation in their deliberations, resulting in a sweeping reform of federal public housing programs. The final bill provides \$24.3 billion in funding for HUD programs, up \$2.9 billion over FY1998.

Overall spending for veterans programs will also increase in FY1999. P.L. 105-276 provides \$42.6 billion to VA, up \$1.6 billion over FY1998, and \$438 million more than the Administration requested. Most of this increase is for mandatory spending of \$1.3 billion for cost-of-living adjustments to benefit programs, and for increases in the expected caseload. VA discretionary appropriations are up \$336 million. Most of the increases would be for medical care and research.

Funding for NASA rises for the first time in several years — conferees provide the space agency with \$200 million more than requested, and more than either Chamber's bill included. Conferees approved additional funds for science programs, and for mission support. The Senate had criticized inter-account transfers to help pay for space station cost overruns, and specified more clearly where the money can be spent. Conferees retained the current account structure, but directed NASA to put the controversial International Space Station into a separate account for FY2000.

Conferees also increased amounts for EPA, beyond levels contained in the bills passing each Chamber. Most of the added funds were for capital projects to assist states and tribal governments in their efforts to clean up drinking water. FEMA will receive amounts similar to FY1998, and conferees did not adopt the Senate's proposed approach to advance planning for disaster mitigation. Among other independent agencies funded by the bill, NSF received a \$242 million increase over FY1998, and funding for CNCS, which administers AmeriCorps, was continued at the FY1998 level — the House bill had not contained any funding for the Corporation.