

# CRS Report for Congress

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## **The National Oceanic and Atmospheric Administration (NOAA): A Brief Review of FY2003 Appropriations and the FY2004 Budget**

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### **Summary**

P.L. 108-7, the Consolidated FY2003 Appropriations Act, provided \$3.19 billion for NOAA. That amount is less than the President's request and funding passed by the Senate, but greater than that recommended in the House funding bill. A number of NOAA programs were cut, but the National Weather Service and the National Environmental Satellite Data and Information Service received increased funding. Congress retained the National Sea Grant Program within NOAA instead of transferring it to the National Science Foundation (NSF), as proposed by the President. It also funded a number of NOAA programs under a separate "conservation category," pursuant to Title VIII of the Interior Appropriations Act of 2001. P.L. 108-7 also directed the Secretary of Commerce to establish a joint NOAA/NSF Ocean Health Initiative. For FY2004, the President requested \$3.33 billion for NOAA. For some of NOAA's constituents, the request has raised concerns about funding declines for many programs since FY2002 and about proposed mandatory obligations for personnel benefits, which would reduce NOAA's discretionary funding. This report will not be updated.

### **Discretionary Appropriations for FY2003**

NOAA is funded by Commerce, State, Justice, the Judiciary and Related Agencies (CJS) appropriations. Three bills helped to finalize FY2003 appropriations for NOAA. These included: 1) S. 2778 (107<sup>th</sup> Congress), the earliest submitted appropriations bill, which served as a framework for future Senate appropriations action; 2) H.R. 247 (108<sup>th</sup> Congress), the House Appropriations Committee's recommendation for FY2003 appropriations; and 3) H.J.Res. 2 (108<sup>th</sup> Congress), as amended by the Senate (S.Amdt. 1), establishing the base for conference committee action on FY2003 CJS appropriations. The conference committee reported out H.J.Res. 2 (amended) and Congress passed it on February 13, 2003. The following briefly summarizes elements of the bills which preceded a final agreement on NOAA appropriations for FY2003 (P.L. 108-7). Table 1, outlines funding in FY2003 spending bills for NOAA, and the FY2004 request.

**Table 1. NOAA Appropriations for FY2003 and Funding Request for FY2004**  
(\$ Millions)

	FY'01 Actual <sup>1</sup>	FY'02 Enacted <sup>2</sup>	FY'03 Request	S.2778 S.Rept. <sup>3</sup>	H.J.Res2 S.Amdt.1 <sup>4</sup>	H.J.Res.2 S.Passed <sup>5</sup>	H.R.247 <sup>7</sup>	FY'03 Approp. <sup>6</sup>	FY'04 Request
<b>Operations, Research, and Facilities (ORF)</b>									
National Ocean Service (NOS)	390.1	415.8	378.5	403.5	406.2	406.2	358.4	417.9	391.0
National Marine Fisheries Service (NMFS-NOAA Fisheries)	634.1	585.9	587.9	587.9	603.1	603.1	526.1	580.1	621.0
NOAA Research (OAR)	327.5	356.0	290.9	395.7 <sup>8</sup>	395.7	395.7	337.0	374.7	366.5
National Weather Service (NWS)	629.4	672.0	696.8	682.0	682.6	682.6	694.9	698.8	721.0
National Environmental Satellite Data and Information Service (NESDIS)	125.0	142.3 <sup>9</sup>	146.4	133.8	133.8	133.8	154.8	150.6	150.3
Program Support	104.1	180.4	205.8 <sup>10</sup>	202.9	202.9	202.9	161.4	173.4	232.5
<b>ORF Total<sup>11</sup></b>	<b>1,925.6</b>	<b>2,264.9</b>	<b>2,211.3</b>	<b>2,336.8</b>	<b>2,352.3</b>	<b>2,349.3</b>	<b>2,140.6</b>	<b>2,316.5</b>	<b>2,389.3</b>
Derived from deobligations/transfers	(284.6)	(88.1)	(95.0)	(69.0)	(72.0)	(75.0) <sup>12</sup>	(92.0)	(79.0)	(93.0)
<b>Non-ORF</b>									
Procurement, Acquisition, and Construction (PAC)	681.2	836.2	810.7	903.4	903.4	900.2 <sup>13</sup>	701.3	759.0 <sup>14</sup>	842.4
Other (Pacific Coastal Salmon Recovery, and Mandatories)	499.0 <sup>14</sup>	162.1	114.1	110.1	93.8	100.1	124.0	159.0 <sup>15</sup>	94.4
<b>Non-ORF Total</b>	<b>1,180.3</b>	<b>998.3</b>	<b>924.8</b>	<b>1,013.5</b>	<b>997.2</b>	<b>1,000.2</b>	<b>918.0</b>	<b>825.3</b>	<b>936.8</b>
<b>NOAA Discretionary Totals*</b>	<b>3,105.9</b>	<b>3,263.2</b>	<b>3,136.1</b>	<b>3,350.4</b>	<b>3,349.5</b>	<b>3,349.5</b>	<b>3,194.6</b>	<b>2,965.9</b>	<b>3,326.1</b>

**Source:** Table Compiled by CRS from various sources as noted below. For more information about the President's request for FY2003, and additional information on congressional actions on the FY2003 budget for NOAA see, CRS Report RL31567, *The National Oceanic and Atmospheric Administration (NOAA): The President's Budget and Congressional Appropriations for FY2003*. \*Numbers may not add due to rounding.

**Table notes:**

1. FY2001 actual amounts as reported in: U.S. Department of Commerce. National Oceanic and Atmospheric Administration. *FY2003 Budget Summary, February 4, 2002*. Also available at [<http://www.noaa.gov> ].
2. FY2002 enacted amounts, FY2003, and FY2004 budget request numbers as reported in: U.S. Department of Commerce. National Oceanic and Atmospheric Administration. *FY2004 Budget Summary, February 3, 2003*. Also available at [<http://www.noaa.gov> ].
3. S. 2778 amounts included in S.Rept. 107-218, July 24, 2002. The Senate bill was the first CJS appropriations bill for FY2003 to be acted upon. Constitutionally, appropriations bills originate in the House. (See note 7.)
4. Reported as “S.000,” in: *Congressional Record*, January 15, 2003: S.439-447, S882-883.
5. Amounts for S. Appropriations Committee and Senate passed versions of H.J.Res. 2 were virtually identical; however, floor amendments authorized spending from the Promote and Develop American Fisheries (PDAF) account funding of \$20 million for an Alaska Fisheries Marketing Program and \$3 million of NMFS funding for a Louisiana oyster industry recovery effort. See H.J.Res.2 floor amendments, “Operations, Research and Facilities Including Transfer of Funds.” *Congressional Record*, January 28, 2003:S1528-1529.
6. P.L. 108-7, as printed in Congressional Record, February 12, 2003: H904-932, H947, as it related to FY2003 NOAA appropriations.
7. The House Appropriations Committee’s version of CJS appropriations for FY2003 (H.R.247) was introduced on January 8, 2003.
8. Reflects restoration of \$63.5 million to maintain the Sea Grant Program within NOAA.
9. The NESDIS FY2002 total includes \$2.75 million for NOAA homeland defense-related activities provided in the Defense Appropriation Act for FY2002 (P.L. 107-117). In addition, on July 19, 2002, Conferees reported out H.R. 4775, the Homeland Security Emergency Supplemental Appropriations Act for FY2002 (H.Rept. 107-593), which became P.L. 107-206. They appropriated \$33.5 million in supplemental funding for NOAA, including \$4.8 million for ORF to fund homeland security expenses incurred by the agency in FY2002. Of the latter amount, \$2.0 million was for NOS to address a critical mapping and charting backlog; \$2.8 million was for NESDIS to develop a backup capability to continue delivery of NOAA’s critical satellite products and services; and \$2.5 million was for a coral reef mapping program. Still another \$25.1 million was included for various fishery economic relief programs. Conferees also appropriated \$7.2 million for a NWS supercomputer backup, funded by NOAA’s PAC account. In the original Senate bill (S. 2551), \$8.1 million would have been rescinded from FY2003 funding for the National Polar Orbiting Environmental Satellite Service program (NPOESS); however, as amended, H.R. 4775, rescinded \$8.1 million from funding provided by Section 817 of P.L. 106-78 (Norton Sound Fisheries Agriculture Transfer), instead. The President signed H.R. 4775 into law as P.L. 107-206 on August 2, 2002. This supplemental funding is reflected in the FY2002 enacted funding column totals in this table.
10. Since FY2001, the Program Support (PS) funding request has included three subcategories: Corporate Services (CS), Facilities (FAC) and, Office of Marine and Aviation Operations (OMAO). P.L. 108-7 appropriated a total of \$258.8 million for PS. That included \$68.6 million for CS -ORF and \$11 million for PAC; \$91.3 and \$74.5 million, respectively for OMAO; and \$13.2 million for FAC (H.Rept. 108-10). For FY2004 the President requested a total of \$433.1 million for Program Support (PS), including \$232.5 million for ORF, \$205 million Other Accounts, and \$10.1 million for PAC. That breaks down to \$93.9 million for CS-ORF, and \$0.9 million PAC; \$109.1 million for OMAO and \$10.1 million PAC; \$29.5 million for FAC; and \$205 million for Other Accounts (personnel mandatories).
11. Totals for ORF exclude deobligations and mandatory transfers within NOAA and funding provided by other federal agencies, which are reported in the following row.
12. H.J.Res. 2, as passed by the Senate, does not specifically mention authority to apply \$17 million in deobligations toward total BA for FY2003, but it may be assumed, because S.Amdt. 1, H.R. 247, and the conference agreement extend this spending authority.
13. Deobligations of \$3.2 million for PAC are reflected in this amount.
14. This total reflects NOAA funding for conservation activities required pursuant to Title VIII of the FY2001 Appropriations Bill for the Department of Interior (P.L. 106-291), which amended Section 250(c)(4)(E) of the Balanced Budget and Emergency Deficit Control Act of 1985. See. “Title VIII, Land Conservation, Preservation and Infrastructure Improvement,” *Congressional Record*, September 29, 2000: H472, H528-529.
15. This amount includes \$40 million for final U.S. payment for two restoration funds under 1999 Pacific Salmon Treaty.

**S. 2778 (107<sup>th</sup> Congress).** On July 24, 2002, the Senate Committee on Appropriations reported S. 2778 (S.Rept.107-218), to recommend funding for Commerce, State, Justice, the Judiciary and Related Agencies for FY2003. Constitutionally, the House of Representatives must act first on annual appropriations bills, so S. 1778 could not be passed and sent to the House. S. 2778 would have provided NOAA \$3.35 billion for FY2003, 2.8% more than the FY2002 enacted level of \$3.26 billion, and \$210 million or 6.3% more than the FY2003 request of \$3.14 billion. (See table 1.) S. 2778 would have retained the National Sea Grant College Program in NOAA, rather than transfer it to the National Science Foundation (NSF), and funded the program at \$63.4 million. (The President did not request funding for NOAA's Sea Grant program in FY2003). In addition, the bill recommended \$20.0 million for exploration of the world's oceans, \$6.0 million more than enacted for FY2002. S. 2778 also recommended a new joint Ocean Health initiative with NSF, funded at \$10 million. Another \$1 million would have established an Office for NEPA enforcement within NOAA Fisheries. The bill recommended \$4.0 million for NOAA's responsibilities under the National Invasive Species Act. NOAA was encouraged to develop plans for a national system of ocean observation platforms and a relocatable underwater habitat/laboratory for research. In addition, \$2.0 million was recommended for Arctic Research; \$14 million for minority colleges and universities to train future scientists; and \$3.5 million for fisheries and shellfish restoration for the Chesapeake Bay. The bill also would have established a NOAA "Business Management Fund." The committee recommended \$480 million in conservation spending for NOAA authorized by Title VIII of P.L. 106-291, including \$264.5 million for ORF, \$100.5 million for PAC, \$95 million for the Pacific Coastal Salmon Recovery Fund, and \$20 million for the 1999 Pacific Coastal Salmon Treaty.

The Committee did not recommend the \$18 million requested for the President's Climate Change Research Initiative (CCRI), but instead noted its support for current climate research activities under the U.S. Global Change Research Program. It did, however, recommend a \$23.2 million increase for homeland security programs. The committee rejected the President's proposal to transfer financial responsibilities for NOAA civil service retirees' pay and health benefits noting that, "the Senate Government Affairs Committee had jurisdiction over such matters." S. 2778 saw no further congressional action; however, it served as the basis for the CJS portion of S.Amdt. 1 the Senate budget measure for FY2003 in the 108<sup>th</sup> Congress. (See H.J.Res. 2, below.)

**H.R. 247 (108<sup>th</sup> Congress).** On January 8, 2003, Rep. Wolf introduced H.R. 247, the House version of CJS Appropriations for FY2003. The bill recommended a total of \$2.97 billion for NOAA, which would have reduced funding for most of NOAA's budget lines below the President's request, except for the National Environmental Satellite Data and Information Service (NESDIS) portion of the Procurement, Acquisitions, and Construction (PAC) account. Of the NOAA total, \$2.14 billion was recommended for Operations, Research and Facilities (ORF), with an additional \$92 million in spending derived from transfers and prior year deobligations. The committee recommended \$701.3 million total for PAC; and \$124 million for NOAA's Other Accounts. The bill also included a final payment of \$40 million to fulfill U.S. requirements under the 1999 Pacific Salmon Treaty. A total of \$305 million was recommended for NOAA conservation programs. H.R. 247, rescinded \$7 million from unobligated balances in NOAA's "Coastal Impact Assistance" fund. The bill also recommended authorizing "such sums as may be necessary" to fund civil service retirees' pay and benefits. H.R. 247 saw no further congressional action.

**H.J.Res. 2 (108<sup>th</sup> Congress).** On January 13, 2003, the Senate Appropriations Committee reported H.J.Res. 2 (amended), its final version of CJS appropriations for FY2003. The joint resolution was passed by the House as a vehicle for an omnibus FY2003 appropriations bill. The Senate Appropriation Committee's S.Amdt. 1, a bill in the nature of a substitute, was reported as "S.000." (*Congressional Record*, January 15, 2003: S439-447, S882-883.) It recommended appropriations of \$3.35 billion for NOAA, with \$2.35 billion of that for ORF, \$903.4 million for PAC, and \$93.8 million for NOAA's Other Accounts. Additional spending authority of \$72 million would be derived from prior year deobligations and transfers. The measure also would establish a "Business Management Fund" to manage NOAA's administrative overhead costs.

The overall funding level in H.J.Res. 2 was slightly less than proposed in S. 2778, but included increases for NOS and NOAA Fisheries, while decreasing funding for NOAA's Other Accounts. Also, S.Amdt. 1 authorized \$52.3 million in mandatory spending for NOAA's civil service retirees' pay and health benefits. In most cases, The Senate Appropriations Committee funding recommendations were greater than amounts requested by the President or recommended by the House Appropriations Committee in H.R. 247. As in S. 2778, the National Sea Grant College program would remain in NOAA, funded at \$63 million. Also, \$51 million was recommended for a NOAA fisheries research vessel. The full Senate passed H.J.Res. 2 (amended) by unanimous consent on January 23, 2003. Overall spending levels for NOAA did not change from the recommended levels; however, two successful Senate floor amendments called for 1) the transfer of \$20 million to ORF (NOAA Fisheries) from the Promote and Develop American Fisheries (PDAF) account to establish an "Alaska Fisheries Marketing Board," and 2) funding of \$3 million from the NOAA Fisheries budget to be targeted for Louisiana oyster industry disaster assistance. Not addressed specifically in S.Amdt. 1, the Senate provided \$20 million for the 1999 Pacific Coastal Salmon Treaty.

**P.L. 108-7.** Conferees reported the Consolidated FY2003 Appropriations Resolution on February 13, 2003 (H.Rept.108-10), Section B of which funded NOAA for FY2003. Conferees provided \$3.19 billion for NOAA, with \$2.32 billion of that for ORF, \$759 million for PAC, and \$159 million for NOAA's Other Accounts. They also approved additional spending authority of \$75 million to be derived from transfers and prior year deobligations. Funding for NOS, NWS, and NESDIS was greater than any approved in previous bills; however, NOAA Fisheries, NOAA Research, and Program Support were cut. PAC funding was less than Senate-passed appropriations and the President's request, but Other Accounts increased with an appropriation of \$40 million for a final U.S. payment for two funds under the 1999 Pacific Coastal Salmon Treaty. H.Rept. 108-10 made no specific references about establishing a NOAA "Business Management Fund," as proposed in S.Amdt. 1, but capped administrative expenses at \$243 million. On February 13, 2003, Congress passed H.J.Res. 2 (amended).

In addition, conferees approved a transfer of \$10 million for an Alaskan seafood marketing program from NOAA's PDAF account (\$209), and earmarked \$3 million in NOAA Fisheries funding for Louisiana oyster industry damages. Conferees rescinded \$7 million from unobligated balances under "Coastal Impact Assessment." Further, \$50.9 million was appropriated for a fisheries replacement vessel (FRV#2) under OMAO. Other notable funding for FY2003 included \$574 million for weather satellite systems (NESDIS), and \$760 million for the NWS. Conservation funding totaled \$480 million.

Conferees also approved \$18 million for FY2003 for the President's Climate Change Research Initiative (CCRI). NOAA, like all other federal agencies whose funding was appropriated by P.L. 108-7, received an across-the-board reduction of 0.6%, or about \$19.2 million. President Bush signed the measure into law on February 20, 2003.

## **Mandatory Appropriations for FY2003**

For FY2003, the President had requested adjustments to NOAA discretionary base funding to offset mandatory spending of \$129 million. Of this amount, \$92.2 million was new mandatory funding for: 1) retired NOAA employees' pay and health benefits under the Civil Service Retirement System (CSRS); 2) NOAA Corps retirees survivor benefits, whose funding obligations would be transferred from the White House Office of Personnel Management (OPM), (Discretionary appropriations of \$37 million for NOAA Corps retirees' pay and benefits is transferred to NOAA by the Department of Defense); and 3) annual pay increases for the agency. The balance of mandatory obligations were intended for fishery industry support, environmental cleanup responsibilities, and Coastal Zone Management Act fund transfers. In the conference report on the Consolidated FY2003 Appropriations Resolution, conferees authorized "such sums as may be necessary" for the Retired Serviceman's Family Protection and Survivor's Benefits Plan and payments for medical care of retired personnel and their dependent's under the Dependents Medical Care Act (10 U.S.C. ch. 55).

## **FY2004 Request**

The President requested a total of \$3.33 billion for NOAA for FY2004, which is \$140 million, or 4.4%, greater than FY2003 appropriations of \$3.19 billion. For FY2004 ORF would receive \$2.39 billion, PAC \$842 million, and Other Accounts \$94 million. Additional spending authority for NOAA of \$93 million was requested from prior year deobligations and transfers. NOAA line office requests are shown in Table 1. These amounts reflect increases for FY2004 for NOAA Fisheries (+\$30 million), NESDIS-PAC (+\$76 million), and ORF Program Support (+\$16 million for Corporate Services). Some \$68 million would be cut from NOS-PAC funds for construction completed in FY2003.

Some of NOAA stakeholders have cautioned that the President's estimated FY2003 funding figures should not be used to compare with the FY2004 request. That budget assumed full funding of the FY2003 request, because final congressional appropriations for FY2003 were not known before the FY2004 request was submitted. As such, the President reported an increase of \$190 million for NOAA as compared with the FY2003 budget request. However, the increase becomes far less when compared with either FY2003 congressional appropriations (\$132 million), or the FY2002 enacted budget, (\$70 million). Many of NOAA's constituents have urged Congress to consider FY2002 appropriations as a baseline for comparison with the FY2004 budget, to assess how NOAA programs might fare.

Also, of concern for many who may benefit from NOAA programs and services, just as in the President's FY2003 request, the FY2004 request contains a number of personnel-related mandatory funding obligations to be scored against NOAA's budget, rather than OPM's. Consequently, many of NOAA's constituents have become apprehensive about the possibility of reduced discretionary budget authority for the agency.