

CRS Report for Congress

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The National Oceanic and Atmospheric Administration (NOAA) Budget for FY2006: President's Request, Congressional Appropriations, and Related Issues

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Summary

This report tracks congressional appropriations action on the President's FY2006 funding request for the National Oceanic and Atmospheric Administration (NOAA). Also, it discusses issues of possible congressional concern about NOAA appropriations for FY2006, such as the U.S. Commission on Ocean Policy Final Report and the President's *U.S. Ocean Action Plan*, both of which recommend an ocean science initiative led by NOAA. FY2005 emergency supplemental appropriations provided the NOAA National Weather Service with \$17.4 million to upgrade U.S. tsunami warning systems. The President requested emergency appropriations for FY2006 for Hurricane Katrina recovery, which would provide the agency an additional \$55 million. The Administration and Congress have also considered proposals for a NOAA Organic Act (H.R. 50). This report will be not be updated.

Agency Funding

The National Oceanic and Atmospheric Administration (NOAA) mission is to understand and predict changes in the Earth's environment and conserve and manage coastal and marine resources to meet the nation's economic, social, and environmental needs. In terms of funding, NOAA is the largest agency of the Department of Commerce (DOC). It accounted for about 64% of DOC's budget request of \$5.7 billion for FY2006 (excluding \$3.7 billion requested for DOC by President Bush for the "Economic Development Challenge"). For FY2006, NOAA was funded in the Science, State, Justice, and Commerce Appropriations Act (hereafter, SSJC Appropriations).

On February 6, 2005, President Bush requested \$3.58 billion for NOAA. On June 16, 2005, the House passed H.R. 2862 (SSJC Appropriations), with an amendment and provided \$3.38 billion or \$50 million less than House Appropriations Committee recommendations. The Senate Appropriations Committee recommended \$4.47 billion

for NOAA on June 23, 2005. However, the Senate voted for \$4.48 billion on September 15, 2005. Conferees on H.R. 2862 agreed to \$3.94 billion for the agency on November 4, 2005. President Bush signed the act into law as P.L. 109-108 on November 22, 2005. Also, because of the devastation wreaked by Hurricane Katrina on August 29, 2005, and the following days, President Bush in his third emergency appropriations request for the 2005 hurricane season proposed an additional \$54.6 million for NOAA.¹

Table 1 shows NOAA budget lines organized by three primary accounts: (1) Operations, Research, and Facilities (ORF), which funds five line offices, the Office of Policy and Planning Integration, and Program Support; (2) Procurement, Acquisition, and Construction (PAC), which is for multi-year, capital-intensive outlays; and (3) Other Accounts, including amounts for NOAA Fisheries operations, the Pacific Coastal Salmon Recovery Fund (PCSRF), proceeds from the Promote and Develop American Fisheries Fund, which is transferred as budget authority for NOAA. Also, an agreed amount of fees collected in the Coastal Zone Management Fund (CZMF) is transferred to ORF.

Table 1. The President's Budget and Appropriations Actions
(\$ millions)

NOAA Accounts	P.L. 108-447 ^a	FY2006 Req. ^b	H.R. 2862 ^c	S.Rept. 109-88 ^d	P.L. 109-108 ^e
National Ocean Service (NOS)	672.3	408.7	394.2	728.6	595.6
ORF	544.4	394.2	382.2	610.5	503.0
PAC	127.9	14.5	12.0	118.1	92.6
National Marine Fisheries Service (NMFS)	700.0	627.5	562.6	770.3	696.0
ORF	668.8	625.5	556.6	763.8	678.5
PAC	31.2	2.0	6.0	16.5	17.5
Oceanic & Atmospheric Research (OAR)	415.4	372.2	335.8	480.7	383.2
ORF	406.0	361.7	326.3	470.1	373.7
PAC	9.4	10.5	9.5	10.6	9.5
National Weather Service (NWS)	778.7	839.2	855.9	863.3	837.3
ORF	699.1	744.8	759.1	772.8	745.3
PAC ^f	79.6	94.4	96.8	90.5	92.0
National Enviro. Satellite, Data, & Info. Service (NESDIS)	912.9	963.9	971.2	1,000.1	964.6
ORF	176.9	154.0	158.3	180.4	179.3
PAC	736.0	809.9	812.9	819.7	785.3
Policy Planning & Integration	2.5	2.0	0.0	0.0	0.0
Program Support (PS)	407.2	377.7	363.2	520.9	483.8
ORF	345.4	342.0	360.4	402.5	356.4
PAC	61.8	35.7	2.8	118.4	127.4
Corporate Services (CS)^g	171.0	199.4	189.0	195.9	179.0

¹ On Oct. 28, 2005, in "Letter to the President," Joshua B. Bolton, Director of the Office of Management and Budget, requested "\$55 million" in appropriations for NOAA from the Disaster Relief Fund be used for repairs, actions to accelerate storm surge and flood forecasting, and reconstruction of a fisheries management science center damaged by Hurricane Katrina.

NOAA Accounts	P.L. 108-447 ^a	FY2006 Req. ^b	H.R. 2862 ^c	S.Rept. 109-88 ^d	P.L. 109-108 ^e
Educational Pgms. (Ed)^h	14.4	0.0	28.9	36.2	34.0
Off. Marine & Aviation Ops. (OMAO)	188.2	120.5	122.2	132.4	132.4
Marine O&M	108.9	99.8	88.8	98.6	98.6
Aviation Ops.	18.5	18.6	18.6	18.6	18.6
Fleet Replace/Acq.	60.8	35.7	15.8	15.2	15.2
Facilities (FAC)^{ij}	33.5	22.1	22.1	54.1	58.0
Maint./Enviro.	33.5	22.1	22.1	22.1	11.0
Construction	—	—	—	32.0	47.0
Intl. Ocean Obs. Sys. (IOOS)^j	—	—	—	24.0	18.0
deobligs./transfers^k	(78.6)	(93.0)	(95.9)	(59.0)	(70.0)
Total ORF^l	2,793.5	2,531.1	2,447.0	3,202.3	2,763.2
Total PAC	1,053.3	965.1	936.0	1,195.0	1,124.3
Other Discretionary	78.4	85.0	46.0	78.0	64.8
PCSRF	88.8	90.0	50.0	90.0	67.5
Fisheries Finance	(7.5)	(2.0)	(1.0)	(9.3)	(9.0)
CZMF	(2.9)	(3.0)	(3.0)	(3.0)	(3.0)
Grand Total NOAA^m	\$3,925.3	\$3,581.3	\$3,379.1	\$4,476.0	\$3,946.0

Source: Compiled by CRS from sources noted below. Program Support funding details not added in NOAA totals.

- a. Funding figures for P.L. 108-447, the Consolidated Appropriations Act, 2005 (H.Rept. 108-792), *Congressional Record*, Nov. 19, 2004, pp. H10448-H10465, which are adjusted for an 0.80% across-the-board rescission.
- b. NOAA funding requested for FY2006 (See **note c.**)
- c. House Appropriations Committee recommendations reported in SSJC Appropriations, 2006 (H.Rept. 109-118) as passed (amended) by the House on Jun. 16, 2005.
- d. Senate Appropriations Committee recommendations amending SSJC Appropriations, 2006 (S.Rept. 109-88).
- e. FY2006 funding tables for H.R. 2862, conference levels in *Congressional Record*, Nov. 15, 2005, pp. E2350-E2351. Line office budget details are from H.Rept. 109-272, November 7, 2005.
- f. For FY2005, FAC maintenance funding was consolidated in the ORF Facilities account, including maintenance funding previously allocated directly to the NWS line office.
- g. Funding for Corporate Services (CS) includes the Offices of the Under Secretary for Commerce for Oceans and Atmosphere (USAO) and the division of Policy Formulation and Development (PFD). For FY2006 the House and the Senate Appropriations Committee consolidated OPPI under USAO, as did conferees on H.R. 2862.
- h. In FY2005, NOAA consolidated all of its educational programs as a subactivity under CS. The President, House, Senate Appropriations Committee, and conferees continued that budget practice for FY2006.
- i. For FY2006, Congress funded Weather Forecast Office maintenance under NWS.
- j. For FY2006, SSJC Senate and Conference reports include certain construction projects in the FAC budget line.
- k. A new PAC-Program Support subactivity for FY2006 (S.Rept. 109-88), which part of an agency-wide recommendation of \$109.7 million to establish an integrated Coastal & Ocean Observation System.
- l. ORF totals exclude other spending authority such as deobligations (previous fiscal year budget savings), mandatory transfer of funding from PDAFF, and NOAA use of fees collected for CZMF, all of which are subtracted here.
- m. For FY2005, NOAA received emergency supplemental appropriations of (1) \$20.7 million in Military Construction Approps., FY2005 (P.L. 108-324), including \$17 million for reseeding, rehabilitation and restoration of oyster reefs in AL, FL, LA, and MS, and \$3.8 million for NOAA lab construction through FY2006; and (2) \$17.3 million in P.L. 109-13 to upgrade U.S. tsunami early warning system capabilities and expand the National Tsunami Mitigation Program. These amounts are included in P.L. 108-447 totals (as reported by the House) in *Congressional Record*, Nov. 15, 2005, pp. E2351-E2352.

Strategic Goals. Since FY2003, NOAA has organized its mission around five agency-wide strategic goals named: (1) Ecosystems, (2) Climate, (3) Weather & Water, (4) Commerce and Transportation, and (5) Mission Support, a business model known as matrix management. For additional information, see the FY2006 NOAA *Budget in Brief* at [<http://www.publicaffairs.noaa.gov/budget2006/>], visited December 8, 2005. For

appropriations purposes, Congress has voiced preference for the way in which NOAA traditionally organized its budget, as shown in **Table 1**, however.

President's Budget Request. President Bush's request of \$3.58 billion for FY2006 was \$327 million (or 8.4%) less than FY2005 appropriations of \$3.91 billion and \$208 million (or 6.2%) more than the \$3.37 billion he requested for FY2005. It included funding of \$2.53 billion for ORF, \$965.1 million for PAC, and a net sum of \$85.0 million for NOAA's Other Accounts. On February 7, 2005, NOAA's Administrator, Vice Admiral Conrad C. Lautenbacher, Jr. (Ret-USN), stated that the President's request provided \$200 million in new funding for NOAA (compared with the \$3.37 billion he requested for FY2005). He stated further that any increase above FY2005 appropriations levels (rescinded 0.8%) would be offset in part by program terminations. NOAA's FY2006 *NOAA Budget in Brief* featured 122 program terminations proposed to create \$427 million in budget savings. The President identified most of these programs as "unauthorized congressional earmarks." Some of these were one-year appropriations and others were construction projects completed in FY2005. Terminations proposed for ORF would be \$259 million and \$168 million for PAC. "Other Accounts" had no terminations.

Administration Priorities Compared With FY2005 Appropriation Levels. Major changes in funding levels for NOAA, both positive and negative, would have happened if the President's budget was enacted as introduced. For example, the President requested \$6 million for NWS operations to strengthen and expand U.S. tsunami warning network capabilities.² A \$67 million increase was slated for procuring next generation satellite hardware, satellite data and information systems upgrades, and improvement of quality of NESDIS data products (e.g., satellite imagery). Funding for polar orbiting satellite programs would decrease by \$33.3 million and geostationary satellite-programs would decrease by \$30.2 million. The President proposed combining the National Centers for Coastal Ocean Science (NOS) under a single funding line, and transferring facilities funding of \$7 million back to NWS for weather forecast office maintenance. NOAA-wide Salaries and Expenses (PS) would have been cut by \$54 million. OMAO would receive \$34 million to procure a fourth fishery research vessel, complete construction on a third, and refurbish older vessels. The PCSRF would increase by \$1.2 million.

House Appropriations. On June 16, 2005, the House passed H.R. 2862 (amended), SSJC Appropriations, FY2006, and provided \$3.38 billion for NOAA. (See **Table 1**, above.) The House Appropriations Committee had recommended a total of \$3.43 billion (H.Rept. 109-118, June 10, 2005). However, on June 14, 2005, the House approved H.Amdt. 260 to H.R. 2862, sponsored by Representative David Dreier, that reduced ORF appropriations by \$50 million.³ The House appropriation was \$200 million (or 5.9%) less than the President's request and about \$530 million (or 15.7%) below the

² That amount was requested as regular FY2006 NOAA appropriations. President Bush also sought emergency funding in response to the December 26, 2004, tsunami disasters in the Indian Ocean. See CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

³ In floor debate, Rep. Mollohan stated that the ORF reduction would be applied as follows: NOS, \$8 million; NMFS, \$12 million; OAR, \$7 million; NWS, \$14.9 million; NESDIS, \$3 million; and Program Support, \$5 million. *Congressional Record*, June 14, 2005, H4464-H4465.

FY2005 appropriation of \$3.91 billion (after an agency-wide rescission of 0.8% effected by P.L. 108-447). The committee had recommended \$2.44 billion for ORF, \$936.0 million for PAC, and \$46 million for Other Accounts. (A negative fisheries financing account balance in effect reduced recommended funding for PCSRF by \$4 million.) Additional spending authority for ORF was derived from \$77 million transferred from the PDAFF, use of \$3 million in CZMF fees, and \$19 million from FY2005 deobligations.

Senate Appropriations Committee Recommendations. On June 23, 2005, the Senate Appropriations Committee recommended \$4.5 billion for NOAA (S.Rept. 109-88). This amount is almost \$919 million (or 32%) more than House appropriations for FY2006; \$895 million (or 26%) more than the FY2006 request; and \$550 million (or 15%) more than the FY2005 appropriation. The committee recommended that a total of \$666.2 million be allocated agency-wide to implement recommendations of the September 2004 U.S. Oceans Commission report. Of that amount, an additional \$142 million was recommended for related programs funded in FY2005. The Senate passed H.R. 2862 on September 15, 2005, and approved S.Amdt. 1659 (Shelby), which provided \$0.5 million for additional staff (43 FTEs) at the National Hurricane Center.

Conference Committee Actions. On November 4, 2005, H.R. 2862 was reported by the conference committee (H.Rept. 109-272, November 7, 2005). Funding of \$3.94 billion was approved for NOAA. The House approved the report on November 8, 2005. The Senate passed it on November 16, 2005. H.R. 2862 was signed into law by President Bush on November 22, 2005, as P.L. 109-108. Title VII of the act requires a 0.28% rescission for all discretionary accounts it funds. Title VI of the act rescinds \$25 million of NOAA's unobligated balances.

FY2006 Budget Outcome. Enacted November 22, 2005, P.L. 109-108 is the middle ground between large budget cuts as proposed by the Administration and approved by the House and generous funding levels agreed to by the Senate for FY2006. There were exceptions, however. Congress backed House appropriation levels for Corporate Services funding under Program Support of \$10 million more than the request. Congress restored \$34 million for NOAA education programs slated for termination by the President, and provided \$5 million for the NOS Ocean Health Initiative, that would also be terminated to save \$17.5 million. It appropriated \$24 million for an Integrated Ocean Observation System (IOOS) as recommended by the Senate. It increased funding for NOAA satellite acquisition and upgrade; however, at a funding level that was less than the Senate or House proposals, taking a similar funding tact as it had with NWS. It established a Joint Implementation Commission to implement USOPC recommendations (S.Rept. 109-88). Large reductions between the FY2006 request and final appropriations included a cut of \$15 million (or 30.0%) for PCSRF. Base funding for the National Sea Grant and National Undersea Research Programs under Oceans, Coastal, and Great Lakes Research (OAR) were cut by \$8.0 million (13.8%) and \$8.2 million (48.0%) respectively.

A NOAA Organic Act

In the first session of the 109th Congress, legislation was reintroduced to create an *organic act* for NOAA. An organic act would provide funding authorization for all of the agency's programs and operations under a single law. NOAA is funded by several legal authorities identified in its annual budget justification. Various stakeholders have called for establishing an organic act for NOAA since 1970, when President Nixon's

Reorganization Plan No. 4 created the agency in DOC by merging programs and budget authorities from various federal agencies. NOAA was last authorized “as an agency” on October 29, 1992, after President George H. W. Bush signed the NOAA Authorization Act, 1992 (P.L. 102-567) that funded about four-fifths of the agency’s programs under jurisdiction of the congressional science committees. The latest call for an organic act arose out of the 2004 U.S. Oceans Commission (USOC) report, which recommended that NOAA lead a coordinated national oceanic research and exploration effort. President George W. Bush supported certain USOC recommendations in his *Ocean Action Plan*.⁴

Legislation in the 109th Congress, First Session

H.R. 50 (Ehlers). On January 4, 2005, Representatives Ehlers for the House Committee on Science and Gilchrest for the House Committee on Resources introduced H.R. 50, the National Oceanic and Atmospheric Act of 2005, which provides administrative, organizational, and budgetary direction to implement recommendations of the USOC report.⁵ NOAA would be retained within DOC; a deputy director position for implementing the act created; NOAA’s Science Advisory Board codified; and a science deputy appointed. Section 14 of H.R. 50 directs the Administrator of NOAA to follow congressional guidelines prior to any facility closure.⁶ H.R. 50 was marked up on March 15, 2005, and reported favorably to the House Science Committee. The President submitted his own organic act bill to Congress on April 6, 2005, elements of which were incorporated on May 17, 2005, when H.R. 50 was ordered reported as an amendment in the nature of a substitute bill. A new Section 16 requires NOAA to notify Congress about changes in status and schedules of satellite programs. No further legislative action has occurred on H.R. 50, although it may be reconsidered in the second session of the 109th Congress.

S. 1224 (Boxer). As a tribute to Senator Hollings, S. 1224, the National Ocean’s Protection Act of 2005 was introduced on June 9, 2005, and was referred to the Senate Committee on Commerce, Science, and Transportation. It would establish NOAA as an independent agency and confer all NOAA-related authorities of the Secretary of DOC to the NOAA Administrator. The measure may be reconsidered during the second session of the 109th Congress.

⁴ For more information on OPC recommendations and the *Ocean Action Report*, see CRS Issue Brief IB10132, *Ocean Commissions: Ocean Policy Review and Outlook*, by Eugene H. Buck.

⁵ H.R. 50 was reintroduced as Title I of H.R. 4546 in the 108th Congress. See U.S. Congress, House Committee on Science, *Compilation of Markups in the 108th Cong, 1st and 2nd Sessions*, serial no. 108-69 (Washington, DC: GPO, Dec. 31, 2004), pp. 465-563.

⁶ Sec. 13(d) defines a facility as a “laboratory, operations office, administrative service center, or other establishment of the Administration with an annual budget of \$1 million or greater.”