

# CRS Report for Congress

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## **The National Oceanic and Atmospheric Administration (NOAA) Budget for FY2007: President's Request, Congressional Appropriations, and Related Issues**

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### **Summary**

This report tracks appropriation action on the President's FY2007 funding request for the National Oceanic and Atmospheric Administration (NOAA). Issues of possible congressional concern are summarized, including a Joint Ocean Commission Initiative statement on ocean science and fisheries-related funding. The President requested increases for NOAA's Satellite programs to improve U.S. weather monitoring capabilities and proposed savings of nearly \$627 million from program terminations. P.L. 109-148, the Defense Appropriations Act for FY2006, provided NOAA emergency supplemental appropriations of \$54.6 million for repair of marine weather instrumentation and a fisheries science facility damaged by the storm and for hurricane prediction research. The Senate Appropriation Committee recommended \$1.1 billion in further emergency funding for FY2006 (H.R. 4939) for Gulf fisheries recovery and other projects, which is far more than the President's request of \$33.0 million or the House-passed \$12 million. This report is updated as warranted.

### **Agency Funding**

The mission of the National Oceanic and Atmospheric Administration (NOAA) 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) and accounts for about 60% of DOC's FY2007 budget request of \$6.1 billion. NOAA is funded by Title II of the Science, State, Justice, and Commerce Appropriations Act (hereafter, SSJC Appropriations). On February 6, 2006, President Bush requested \$3.68 billion for NOAA for FY2007.

**Table 1** below shows funding for NOAA's five line offices and Program Support. NOAA has three budget accounts: (1) Operations, Research, and Facilities (ORF) for NOAA research and operations; (2) Procurement, Acquisition, and Construction (PAC)

for multi-year, capital-intensive outlays; and (3) “Other Accounts” for Fisheries Financing programs, the Pacific Coastal Salmon Recovery Fund (PCSRF), and the Coastal Zone Management Fund (CZMF).<sup>1</sup> Proceeds from the CZMF and the Promote and Develop American Fisheries Fund are transferred to ORF as additional spending authority. In some years, Congress has approved additional budget authority for NOAA from previous fiscal year surplus funding (deobligations). Also, NOAA has been subject to annual congressional or administration-ordered budget rescissions.

**Table 1. The President’s Budget and Appropriations Actions**  
(\$ in millions)

NOAA Accounts	FY2005 Approp. <sup>a,b</sup>	FY2006 Approp. <sup>c</sup>	FY2007 Req. <sup>d</sup>
<b>National Ocean Service (NOS)</b>	<b>672.3</b>	<b>595.6</b>	<b>407.2</b>
ORF	544.4	500.0	394.5
PAC	127.9	92.6	12.7
<b>National Marine Fisheries Service (NMFS)</b>	<b>700.0</b>	<b>696.0</b>	<b>649.0</b>
ORF	668.8	678.5	649.0
PAC	31.2	17.5	0.0
<b>Oceanic &amp; Atmospheric Research (OAR)</b>	<b>415.4</b>	<b>383.2</b>	<b>348.7</b>
ORF	406.0	373.7	338.3
PAC	9.4	9.5	10.4
<b>National Weather Service (NWS)</b>	<b>778.7</b>	<b>837.3</b>	<b>881.8</b>
ORF	699.1	745.3	783.4
PAC	79.6	92.0	98.4
<b>National Enviro. Satellite, Data, &amp; Info. Serv. (NESDIS)</b>	<b>912.9</b>	<b>964.6</b>	<b>1,033.9</b>
ORF	176.9	179.3	149.6
PAC	736.0	785.3	884.3
<b>Program Support (PS)<sup>e</sup></b>	<b>407.2</b>	<b>483.8</b>	<b>384.8</b>
ORF	345.4	356.4	364.1
PAC	61.8	127.4	20.7
<b>Deobligs./transfers<sup>f</sup></b>	<b>(64.5)</b>	<b>(67.7)</b>	<b>(73.0)</b>
<b>Total ORF (FY2006 figure incl. Emgcy. Approp.)<sup>g</sup></b>	<b>2,784.6</b>	<b>2,748.1</b>	<b>2,592.8</b>
<b>Total PAC (FY2006 figure incl. Emgcy. Approp.)<sup>h</sup></b>	<b>1,044.6</b>	<b>1,147.3</b>	<b>1,024.5</b>
<b>Other Accounts</b>	<b>78.9</b>	<b>74.6</b>	<b>60.8</b>
PCSRF	89.3	86.6	66.8
Fisheries Financing	(7.4)	(9.0)	(3.0)
CZMF	(2.9)	(3.0)	(3.0)
<b>Grand Total NOAA<sup>i,j</sup></b>	<b>3,907.9</b>	<b>\$3,950.0</b>	<b>\$3,678.1</b>

**Source:** Compiled by CRS from sources noted below.

<sup>1</sup> Since FY2003, NOAA has organized its mission and budget around five agency-wide strategic goals: (1) Ecosystems, (2) Climate, (3) Weather & Water, (4) Commerce and Transportation, and (5) Mission Support. For appropriations purposes, Congress has voiced preference for how NOAA “traditionally” organized its budget request, as shown in **Table 1**, however.

**Notes:**

- a. P.L. 108-447. Conference Report on H.R. 4818 (H.Rept. 108-792), *Congressional Record*, November 19, 2004: pp. H10112-10117, H10447-10466.
- b. NOAA also received \$17.3 million in P.L. 109-13, FY2005 emergency supplemental appropriations, to upgrade U.S. tsunami early warning system capabilities and expand the National Tsunami Mitigation Program. Out-year funding is included in the FY2006 appropriation grand total.
- c. P.L. 109-108. FY2006 funding tables in conference report to accompany H.R. 2682 (H.Rept. 109-272), November 7, 2005.
- d. U.S. Department of Commerce, NOAA, *FY2007 Budget Summary*, February 7, 2006. (See also note j.)
- e. "Program Support" funding details are included in **Table 2**.
- f. ORF totals exclude non-appropriated spending authority such as deobligations (previous fiscal year budget savings), mandatory transfer of funding from PDAFF, and NOAA use of fees collected for CZMF, which are subtracted here. FY2006 figure does not reflect rescission and emerg. approp.
- g. P.L. 109-148, \$17.2 million for ORF is added.
- h. P.L. 109-148, \$37.4 million for PAC is added.
- i. The FY2005 appropriation reflects a 0.85% across the board rescission. The FY2006 appropriation reflects OMB rescissions of \$28.3 million for ORF; \$11.2 million for PAC; \$0.7 for PCSRF and \$0.003 million for the Fisheries Finance Program account, a total of about \$40 million or roughly 1.0% across the agency. Sect. 638 of P.L. 109-108 reduced NOAA funding by 0.28%.
- j. Grand totals for the FY2006 appropriation and the President's FY2007 budget request are estimates reported by the House Appropriations Committee (April 25, 2006).

**Congressional Budget Action.** Congress approved almost \$3.96 billion for NOAA in H.R. 2862, the SSJC Appropriations Act for FY2006, that was signed into law as P.L. 109-108 on November 22, 2005. On February 8, 2006, the Office of Management and Budget (OMB) reported a plan to Congress for a 1% across-the-board cut in discretionary spending for most federal agencies to offset funding for emergency appropriations for the 2005 Gulf hurricane disasters. The President's request was funded by the Defense Appropriations Act of FY2006 (P.L. 109-148), which he signed on December 30, 2005. In response to Hurricane Katrina and resulting damages on and after August 29, 2005, President Bush proposed \$54.6 million in emergency appropriations for NOAA losses. All told NOAA received final appropriations of \$3.95 billion for FY2006.

On February 6, 2006, the President requested additional emergency funding of \$33 million for damages incurred by NOAA from Hurricane Katrina. The House approved \$12.8 million of that in H.R. 4939 on March 16, 2006. On April 27, 2005, the Senate Appropriations Committee recommended \$1.3 billion for that purpose and others. The S.Amdt. 3641 to H.R. 4939, Div. II, reduced that amount recommended by \$15 million.

**FY2007 Budget Request.** The President's request includes \$2.59 billion for ORF; \$1.02 billion for PAC; and \$60.8 million for NOAA's Other Accounts, including the Pacific Coastal Salmon Recovery Fund (PCSRF), the Coastal Zone Management Fund (CZMF), and NOAA's Fishery Financing programs. On February 8, 2006, in Washington, DC, NOAA's Administrator, Vice Admiral Conrad C. Lautenbacher, Jr. (Ret.-USN) briefed stakeholders on NOAA's FY2007 request.<sup>2</sup> He discussed discretionary funding increases for some NOAA programs and possible funding cuts for others. With respect to NOAA's budget baseline for FY2007, final appropriations for FY2006 were scored as \$3.91 billion (less appropriations in P.L. 109-148). (See **Table 1**, above and **Figure 1**, below.)

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<sup>2</sup> See the presentation at [[http://www.corporateservices.noaa.gov/%7Enbo/FY07\\_BlueBook/PDFs/VADMFY07ConstituentBriefFINAL\\_NoNotes.pdf](http://www.corporateservices.noaa.gov/%7Enbo/FY07_BlueBook/PDFs/VADMFY07ConstituentBriefFINAL_NoNotes.pdf)].

The FY2007 request is nearly \$230 million, or 5.9% less than the \$3.95 billion appropriated for FY2006. It is 5.9% less than the \$3.91 billion appropriation for FY2005. The President proposed increased funding for NWS and NESDIS, including \$104 million for NOAA's Global Orbiting Environmental Satellite (GOES) program for procurement of new "GOES-R" generation instrumentation. There would also be a \$20.3 million increase for NOAA's National Polar Orbiting Environmental Satellite System (NPOESS) to address slipping deployment schedules and cost overruns. (A matching increase would be provided by the Department of Defense.) In addition, President Bush requested \$12.4 million to fund the last phase of detection buoy procurement as part of a strengthened National Tsunami Warning Program (NTWP). The FY2007 request would culminate a commitment of \$40 million for that effort.<sup>3</sup>

**Table 2. The NOAA Program Support Line Detailed**

NOAA Accounts	FY2005 Approp.	FY2006 Approp.	FY2007 Req.
<b>Corporate Services (CS)<sup>a</sup></b>	<b>171.0</b>	<b>179.0</b>	<b>192.0</b>
<b>Educational Pgms. (Ed)<sup>b</sup></b>	<b>14.4</b>	<b>34.0</b>	<b>19.3</b>
<b>Off. Marine &amp; Aviation Ops. (OMAO)</b>	<b>188.2</b>	<b>194.8</b>	<b>129.9</b>
Marine O&M	108.9	113.8	93.5
Aviation Ops.	18.5	18.6	19.2
Fleet Replace/Acq. (PAC)	60.8	62.5	38.2
<b>Facilities (FAC)</b>	<b>33.0</b>	<b>58.0</b>	<b>23.0</b>
Maint./Enviro.	22.1	11.0	23.0
Construction (PAC)	—	47.0	—
<b>Intl. Ocean Obs. Sys. (IOOS)<sup>c</sup></b>	<b>—</b>	<b>18.0</b>	<b>12.9</b>
<b>Total</b>	<b>342.0</b>	<b>407.8</b>	<b>377.1</b>

**Source:** Compiled by CRS from sources noted below.

**Notes:**

- a. 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).
- b. All NOAA educational programs were consolidated as a subactivity under Program Support.
- c. A new PAC-Program Support subactivity created in FY2006 to develop an integrated Coastal & Ocean Observation System. (See S.Rept. 109-88.)

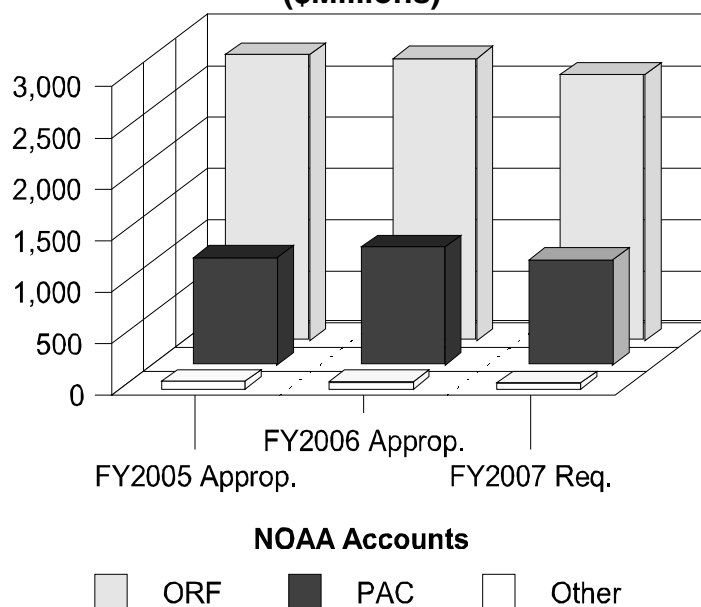
Other NOAA funding priorities for FY2007 include increases of \$10.5 million to clear up a backlog of coastal hydrographic surveys needed for updating nautical charts; \$6.1 million to deploy the global ocean observing system (GEOSS); \$22.5 million for protection of marine species. NOAA research supercomputer funding would double for FY2007 to \$13 million, and \$2.5 million of the total would be for hurricane research modeling. President Bush also requested restoration of \$25 million of FY2005 unobligated funding rescinded by Congress in Section 638 of Title II of P.L. 109-108 as budget savings. On the other hand, the President sought almost \$627 million in savings from NOAA program terminations for FY2007, including \$572 million for program funding added in FY2006 by Congress but not requested by the President, \$19 million of

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<sup>3</sup> For additional information about tsunami warning systems and funding, see CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

which was funding for the Alaska Composite Research and Development Program (ACR&DP) to assess management and conservation of Alaskan fisheries. The balance of \$55 million in proposed terminations is one-year funding for construction projects.

**Figure 1. Appropriations for NOAA FY2005 and FY2006 and the FY2007 Budget Request (\$Millions)**



**Source:** Compiled by CRS from figures in **Table 1**.

Some stakeholders in for certain NOAA fisheries programs who would be affected by funding reductions or reduced funding levels are opposed to the President's request. The NOAA budget request was also criticized by Joint Oceans Commission Initiative (JOCI) leaders for cuts in ocean and coastal research-related activities proposed by the President for FY2007. They are concerned that the level of funding requested for these activities would be almost \$280 million less than that appropriated by Congress for FY2006 and \$15 million less than that requested by the Administration for FY2006.<sup>4</sup>

**Supplemental Appropriations for FY2006.** P.L. 109-148, the Department of Defense Appropriations Act for FY2006, became the legislative vehicle for implementing the emergency appropriation for NOAA recovery from storm damages sustained from Hurricane Katrina (the funding was authorized in P.L. 109-62). The DOD Appropriations Act allocated \$17.2 million to NOAA's ORF account for repair of weather instrument damage and for research to improve hurricane forecasting. In addition, \$37.4 million was allocated to NOAA's PAC account to replace an aging hurricane reconnaissance aircraft and to temporarily house operations of the NOAA Pascagoula, MS, fish science lab while the structure was under repairs. On February 16, 2006, President Bush requested another

<sup>4</sup> Joint Oceanic Commission (JOC), "Statement of the Joint Ocean Commission Initiative on President Bush's FY2007 Budget Proposal," Feb. 13, 2006, available at [<http://www.jointoceancommission.org/>].

\$33 million in emergency appropriations for further NOAA relief from Hurricane Katrina. He requested \$21 million for ORF to assess and recover Gulf fisheries and \$11.8 million for PAC to continue repairs and construction of an NMFS Pascagoula, MI, fisheries science center on the Gulf of Mexico. The House passed H.R. 4939, the legislative vehicle for a second round of emergency appropriations for Hurricane Katrina damages, on March 16, 2006, approving \$11.8 million for PAC. It did not approve the ORF request however. (See H.Rept. 109-388, p. 70).

On April 4, 2006, the Senate Appropriations Committee marked up H.R. 4939, and offered an amendment in the form of a substitute bill. The committee reported H.R. 4939 on April 5, 2006 (S.Rept. 109-230). The amendment would provide \$1.1 billion in emergency funding for expenses related to the consequences of Hurricane Katrina. Although most of the funding would be targeted to NMFS for recovery of and assistance to Gulf fisheries operations, \$20 million of that would assist “shellfishermen” in New England affected by the 2005 red tide outbreak. The amendment superseded the Senate CJS subcommittee’s recommendation of \$50 million. The full committee recommended \$32 million in addition for PAC: \$20 million for repairs and further construction of the Pascagoula, MS, fishery science center and \$11.8 million to procure an aircraft equipped with hurricane damage assessment imaging capabilities. On April 27, 2006, a “perfecting amendment” was offered (S.Amdt. 3641 to H.R. 4939) that would have disallowed \$440 million requested for NMFS, determined to be nonemergency funding. Division II of that amendment, which would fund seafood promotion by NMFS, was adopted separately by the Senate reducing the request by \$15 million.

**Related Budget Issues.** The following factors may affect NOAA’s FY2007 budget outcome:

- Funding requested for NOAA/NWS recovery in the aftermath of Hurricane Katrina including Senate Appropriation Committee’s approval of almost \$1.0 billion in emergency funding for Gulf fisheries recovery.
- Criticism of President Bush by the JOCI leaders of proposed budget cuts for NOAA ocean and coastal research-related activities recommended by the National Ocean Policy and Pew Commission reports.
- NOAA (and partners NASA and DOD) delays in launch and deployment of NPOESS, including the development of ground-based systems architecture, general operations, and contract management.
- Possible legislative action on H.R. 50 (109<sup>th</sup> Cong., 1<sup>st</sup> sess.), or similar legislation, to authorize all of NOAA’s programs and activities under a single legal authority, otherwise known as an *organic act*.