

# 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 decreases in funding for ocean science and a possible act to authorize all NOAA programs under a single law. The President requested increases for NOAA Satellite programs to correct problems with costs and schedule slippage. He proposed savings of nearly \$627 million from certain program terminations. P.L. 109-148, the FY2006 Defense Appropriations Act, funded emergency supplemental appropriations of \$54.6 million for NOAA to repair marine weather instrumentation and a fisheries science facility damaged by Hurricane Katrina and for enhancing hurricane prediction modeling. On June 8, 2006, Congress approved H.R.4939, which was signed into law as P.L. 109-234. That act appropriated \$118 million in emergency appropriations for NOAA and authorized a \$38 million transfer from the U.S. Department of Agriculture for Gulf shellfish recovery. Congress began its work on FY2007 funding for NOAA on June 6, 2006, with the House reporting H.R. 5672 (H.Rept. 109-520). This report will be 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 in House Science, State, Justice, and Commerce Appropriations Act (hereafter, SSJC Appropriations), Title II, Department of Commerce. On February 6, 2006, President Bush requested a budget of \$3.68 billion for NOAA. On June 22, 2006, the House reported H.R. 5672, SSJC Appropriations for FY2007 (H.Rept. 109-520), recommending a \$3.39 billion appropriation for the agency.

**Table 1** below shows the FY2007 request and funding for NOAA’s five line offices and Program Support. NOAA has three budget accounts: (1) Operations, Research, and Facilities (ORF) for research and operations; (2) Procurement, Acquisition, and Construction (PAC) for multi-year, capital-intensive outlays; and (3) “Other Accounts” for fisheries financing, the Pacific Coastal Salmon Recovery Fund (PCSRF), and the Coastal Zone Management Fund (CZMF).<sup>1</sup> A portion of fees collected in the CZMF and proceeds from the Promote and Develop American Fisheries Fund (PDAF) are transferred to ORF as additional budget authority. In some years, Congress has approved additional budget authority out of previous fiscal year surplus funding (deobligations).

**Table 1. NOAA’s Budget Request and Appropriations for FY2007**  
(\$ in millions)

NOAA Accounts	FY2005 Approp. <sup>a</sup>	FY2006 Approp. <sup>b</sup>	FY2007 Req. <sup>c</sup>	H.R. 5672 <sup>d</sup>
National Ocean Service (NOS)	<b>672.3</b>	<b>595.6</b>	<b>407.2</b>	<b>315.1</b>
ORF	544.4	500.0	394.5	315.1
PAC	127.9	92.6	12.7	—
National Marine Fisheries Service (NMFS)	<b>700.0</b>	<b>696.0</b>	<b>649.0</b>	<b>539.1</b>
ORF	668.8	678.5	649.0	539.1
PAC	31.2	17.5	0.0	—
Oceanic & Atmospheric Research (OAR)	<b>415.4</b>	<b>383.2</b>	<b>348.7</b>	<b>338.9</b>
ORF	406.0	373.7	338.3	328.5
PAC	9.4	9.5	10.4	10.4
National Weather Service (NWS)	<b>778.7</b>	<b>837.3</b>	<b>881.8</b>	<b>885.0</b>
ORF	699.1	745.3	783.4	784.6
PAC	79.6	92.0	98.4	100.4
National Enviro. Satellite, Data, & Info. Serv.	<b>912.9</b>	<b>964.6</b>	<b>1,033.9</b>	<b>1,029.6</b>
ORF (NESDIS)	176.9	179.3	149.6	145.3
PAC	736.0	785.3	884.3	884.3
Program Support (PS) <sup>e</sup>	<b>407.2</b>	<b>483.8</b>	<b>384.8</b>	<b>361.2</b>
ORF	345.4	356.4	364.1	356.6
PAC	61.8	127.4	20.7	3.6
Deobligs./Transfers <sup>f</sup> /Adjustments <sup>g</sup>	(64.5)	(67.7)	(68.0)	(106.0)
<b>Total ORF (FY2006 incl. Emgcy. Approp.)<sup>h</sup></b>	<b>2,784.6</b>	<b>2,748.1</b>	<b>2,592.8</b>	<b>2,360.5</b>
<b>Total PAC (FY2006 incl. Emgcy. Approp.)<sup>i</sup></b>	<b>1,044.6</b>	<b>1,147.3</b>	<b>1,024.5</b>	<b>996.7</b>
<b>Other Accounts</b>	<b>78.9</b>	<b>74.6</b>	<b>60.8</b>	<b>19.3</b>
PCSRF	89.3	86.6	66.8	22.0
Fisheries Financing	(7.4)	(9.0)	(3.0)	0.3
CZMF	(2.9)	(3.0)	(3.0)	(3.0)
<b>Grand Total NOAA<sup>j,k</sup></b>	<b>\$3,907.9</b>	<b>\$3,950.0</b>	<b>\$3,678.1</b>	<b>\$3,376.5</b>

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

<sup>1</sup> As an alternative to the budget presentation above, NOAA also reports its annual request by five agency-wide strategic goals: Ecosystems, Climate, Weather & Water, Commerce and Transportation, and Mission Support. For appropriations purposes, Congress has voiced preference for NOAA’s “traditional” budget presentation.

**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. NOAA received \$17.3 million in FY2005 emergency supplemental appropriations (P.L. 109-13) to upgrade U.S. tsunami early warning system capabilities and to expand the National Tsunami Mitigation Program. Out-year funding in that act is incorporated in FY2006 base funding and reflected in the grand total.
- b. P.L. 109-108. FY2006 funding tables in conference report to accompany H.R. 2682 (H.Rept. 109-272), November 7, 2005.
- c. U.S. Department of Commerce, NOAA, *FY2007 Budget Summary*, February 7, 2006. (See also note k.)
- e. "Program Support" funding details are included in **Table 2**.
- d. H.R. 5672 as passed by House on June 26, 2006 (recommendations in H.Rept. 109-520).
- 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. Adjustments include \$3 million for CZMA and \$2 million for retirement set-asides. H.R. 5672 amendments resulted in a net reduction of \$10.3 million for NOAA.
- h. P.L. 109-148, \$17.2 million for ORF is added.
- i. P.L. 109-148, \$37.4 million for PAC is added.
- j. The FY2006 appropriation reflects a rescission 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, totaling about \$40 million, or roughly 1.0% for the agency. Section 638 of P.L. 109-108 reduced NOAA funding by 0.28%.
- k. Grand totals for the FY2006 appropriation and the President's FY2007 budget request are estimates of the House Appropriations Committee (April 25, 2006).

**Congressional Budget Action Overview.** Congress approved H.R. 2862, SSJC Appropriations for FY2006, and provided \$3.95 billion for NOAA (P.L. 109-108). After Hurricane Katrina inflicted damages on the Gulf Region beginning August 29, 2005, President Bush proposed \$54.6 million in emergency appropriations for losses incurred by NOAA. He also ordered a 1% across-the-board discretionary spending cut for most federal agencies to offset funding for the 2005 Gulf hurricane disasters (P.L. 109-148). On February 6, 2006, the President requested additional emergency funding for NOAA recovery of \$32.8 million; Congress approved \$150 million (P.L. 109-234). (See "Supplemental Appropriations," below.)

**FY2007 Budget Request.** The President's requested almost \$3.68 billion for NOAA for FY2007. (See **Table 1** above and **Figure 1** below). Of that amount, \$2.59 billion was requested for ORF; \$1.02 billion for PAC; and \$60.8 million for NOAA's "Other Accounts," including PCSRF, CZMF, and Fishery Financing. NOAA's Administrator, VADM Conrad C. Lautenbacher, Jr. (Ret.-USN), briefed its stakeholders on the FY2007 request in Washington, DC, on February 8, 2006. He discussed funding increases for some discretionary programs and funding cuts for others.<sup>2</sup> NOAA's FY2007 budget baseline of \$3.91 billion (FY2006) does not include emergency appropriations provided for NOAA in P.L. 109-148.

The request is about \$230 million, or 5.9% less than the \$3.95 billion appropriated for FY2006 and 5.9% less than the \$3.91 billion appropriation for FY2005. Increases were proposed for NWS and NESDIS, including \$104 million for NOAA's Global Orbiting Environmental Satellite (GOES) program to procure new "GOES-R" generation instrumentation for a 2012 deployment. The National Polar Orbiting Environmental Satellite System (NPOESS) would be increased by \$20.3 million to address slipping

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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)].

schedules and cost overruns. That funding would be matched by the Department of Defense. The President also requested \$12.4 million for FY2007 to procure the last of the tsunami detection buoys for the NWS's National Tsunami Warning Program. The request would culminate the Administration's commitment of \$40 million toward that goal.<sup>3</sup>

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

NOAA Accounts	FY2005 Approp.	FY2006 Approp.	FY2007 Req.	H.R. 5672
<b>Corporate Services (CS)<sup>a</sup></b>	<b>171.0</b>	<b>179.0</b>	<b>192.0</b>	<b>183.8</b>
<b>Educational Pgms. (Ed)<sup>b</sup></b>	<b>14.4</b>	<b>34.0</b>	<b>19.3</b>	<b>26.5</b>
<b>Off. Marine &amp; Aviation Ops. (OMAO)</b>	<b>188.2</b>	<b>194.8</b>	<b>129.9</b>	<b>128.9</b>
Marine O&M	108.9	113.8	93.5	106.3
Aviation Ops.	18.5	18.6	19.2	19.0
Fleet Replace/Acq. (PAC)	60.8	62.5	38.2	3.6
<b>Facilities (FAC)</b>	<b>33.0</b>	<b>58.0</b>	<b>23.0</b>	<b>21.0</b>
Maint./Enviro.	22.1	11.0	23.0	4.0
Construction (PAC)	—	47.0	—	17.0
<b>Intl. Ocean Obs. Sys. (IOOS)<sup>c</sup></b>	<b>—</b>	<b>18.0</b>	<b>12.9</b>	<b>—</b>
<b>Total</b>	<b>\$342.0</b>	<b>\$407.8</b>	<b>\$377.1</b>	<b>\$360.2</b>

**Source:** Compiled by CRS from same sources identified for **Table 1**.

- 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 in FY2005.
- c. A PAC-Program Support subactivity created in FY2006 to fund development of an integrated Coastal & Ocean Observation System. (See S.Rept. 109-88.)

Other NOAA funding priorities for FY2007 included increases of \$10.5 million to clear a backlog of coastal hydrographic surveys for updating nautical charts; \$6.1 million for the "global environmental observing system of systems" (GEOSS); and \$22.5 million for protection of marine species. NOAA supercomputer funding would double to \$13 million and include \$2.5 million for hurricane research modeling. President Bush also requested Congress to restore \$25 million of unobligated funds rescinded in FY2005 by Section 638 of Title II of P.L. 109-108. He also sought \$627 million in savings from terminating certain NOAA programs, including \$572 million from congressional add-ons for FY2006 that the Administration did not request and \$55 million from construction projects funded for one year only.

The President's FY2007 NOAA budget request has been criticized by Joint Oceans Commission Initiative (JOICI) leaders because of proposed cuts in ocean and coastal research-related activities. They are concerned that the request for these activities is \$280 million less than the FY2006 appropriation and \$15 million less than the President's

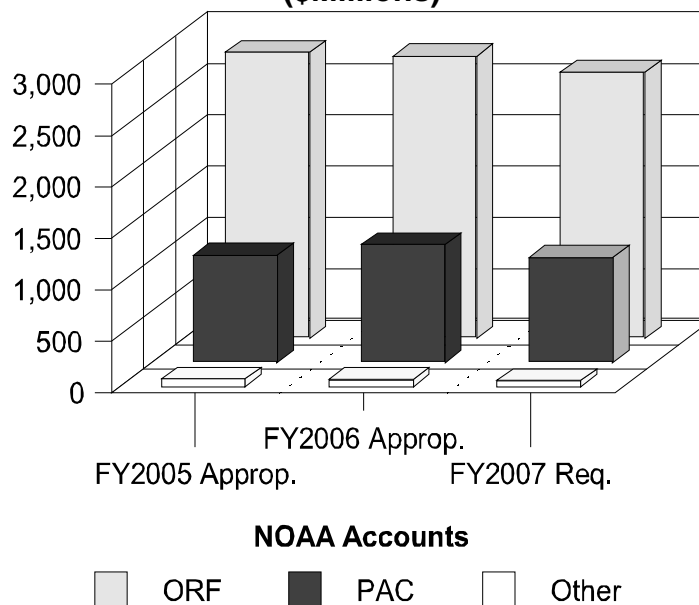
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<sup>3</sup> For additional information about tsunami warning systems and funding, see CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

FY2006 request, particularly because of the Ocean Policy Commission's *recommendation 25.1*, which calls for a doubling of funding for these activities by 2009.<sup>4</sup>

**House Appropriations.** On June 26, 2006, the House passed H.R. 5672 (H.Rept. 109-520) and appropriated nearly \$3.38 billion for NOAA. This is about \$300 million, or 8.2%, less than the FY2007 request of \$3.68 billion and \$570 million, or 14.4%, less than FY2006 appropriations (including emergency appropriations). The amended bill cuts most NOAA line office budgets more than the President's request, the National Weather Service being the exception. The NOAA Satellite budget request was cut, reflecting dissatisfaction with NOAA's management of the NPOESS program and associated satellite data management components. Also, the request of \$67 million for PCSRF was cut by two-thirds because of lack of quantitative program performance data to less than \$20 million (net). NOS and NMFS sustained the largest cuts and reflect the President's proposed terminations for FY2007, including no new funding for ocean and coastal research and exploration.

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



Source: Compiled by CRS from totals in Table 1.

## NOAA Supplemental Appropriations for FY2006

**P.L. 109-148.** The Department of Defense Appropriations Act for FY2006 provided emergency funding to NOAA to recover from storm damages sustained by the agency during Hurricane Katrina. The funding was authorized by P.L. 109-62. P.L. 109-148 appropriated \$17.2 million to the ORF account for repairs of weather instrumentation damaged by the storm and for hurricane forecast modeling research. Also, \$37.4 million

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

was appropriated to the PAC account for NOAA to procure state-of-the-art imaging technology for an older hurricane reconnaissance aircraft, and to fund temporary operations of the NOAA Pascagoula, MS, fish science lab in another NOAA facility while hurricane repairs and construction on the new lab progressed.

**P.L. 109-234.** On February 16, 2006, President Bush requested further supplemental appropriations for NOAA for FY2006, including \$33 million for continued relief from Hurricane Katrina damages. The request included \$21 million for ORF to assess and recover Gulf fisheries and \$11.8 million for PAC to repair and resume construction of the NMFS Pascagoula, MI, fisheries science center on the Gulf of Mexico. On March 16, 2006, the House passed H.R. 4939, the War and Hurricane Relief Emergency Appropriations Act of FY2006, appropriating \$11.8 million for the NOAA PAC request. It did not fund the ORF request (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 nature of a substitute bill, which it reported on April 5, 2006 (S.Rept. 109-230). The committee recommended \$1.3 billion in emergency funding for expenses related to recovery from Hurricane Katrina, such as assistance for Gulf fisheries operations, but it also included \$20 million for New England “shellfishermen” who were victims of a 2005 red tide outbreak. The Senate Appropriation Committee’s recommendation far surpassed the CJS subcommittee’s recommendation of \$50 million. The full committee also recommended \$32 million for PAC, including \$20 million for repairs and construction of the Pascagoula, MS, fishery science center and \$11.8 million to equip a hurricane reconnaissance aircraft with damage assessment capabilities. On April 27, 2006, S.Amdt. 3641 to H.R. 4939 aiming to disallow \$440 million of the committee recommendation as *non-emergency* funding was not adopted. Division II of the amendment opposing seafood promotion by NMFS was adopted separately, which disallowed \$15 million.

On June 8, 2006, conferees on H.R. 4939 agreed to \$150 million in emergency funding for NOAA. Of that amount \$118 million was approved for ORF, including \$20 million for Gulf mapping and sonar scanning for debris removal; \$2 million for Physical Oceanographic Real-Time Systems (PORTS) along the Gulf of Mexico; \$1 million to repair and replace gage systems in the northern Gulf; \$90 million for oyster, shrimp, and Gulf fisheries recovery; and \$5 million for individual fishermen’s recovery from 2005 disasters. Conferees also approved \$32 million for PAC and approved a \$38 million transfer from USDA for re-seeding, rehabilitating, and restoring damaged oyster reefs in the Gulf. Congress passed H.R. 4939. It was enacted as P.L. 109-234 on June 16, 2006.

**Related Budget Issues.** Other factors may bear on NOAA’s FY2007 budget outcome, including

- 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 program operations, and contract management.
- Legislative action on H.R. 5450 (109<sup>th</sup> Cong., 2<sup>nd</sup> sess.), which is H.R. 50 reintroduced and amended to authorize funding for all of NOAA’s programs and activities under a single law, known as an *organic act*.