



CRS Report for Congress

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 congressional appropriation action on the President's FY2007 funding request for the National Oceanic and Atmospheric Administration (NOAA). Issues of possible concern are summarized, including decreases in funding for ocean research and consideration of an act to authorize all NOAA programs under a single law. The President requested \$3.68 billion for NOAA and would include increases for its satellite programs to address cost overruns and schedule slippage. He also proposed savings of \$627 million from NOAA program terminations. P.L. 109-148, the FY2006 Defense Appropriations Act, provided supplemental appropriations of \$54.6 million for the agency. P.L. 109-234 provided \$150 million in *further* emergency appropriations for NOAA. On June 6, 2006, Congress began its work on the FY2007 appropriation for NOAA. The House passed H.R. 5672, Science, State, Justice, and Commerce Appropriations for FY2007. The Senate Appropriations Committee has reported H.R. 5672 (amended), recommending \$1 billion more in funding for NOAA than the House and far more than the FY2007 request. A continuing resolution requires that NOAA funding be maintained at House-passed levels until further notice. 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.¹ In terms of funding, NOAA is the largest agency of the Department of Commerce (DOC) and, for FY2007, accounts for about two-thirds of DOC's budget request of \$6.1

¹ Department of Commerce, *NOAA FY2007 Budget Summary*, Feb. 8, 2006.

billion. NOAA is funded in Title II, “Department of Commerce,” of the House Science, State, Justice, and Commerce Appropriations Act (hereafter, SSJC Appropriations).

President’s Budget and Congressional Action Overview

Congress passed H.R. 2862, SSJC Appropriations for FY2006 on November 25, 2006, which provided \$3.95 billion for NOAA (P.L. 109-108). On February 6, 2006, President Bush requested \$3.68 billion for NOAA for FY2007. (See **Table 1**.) On June 22, 2006, the House passed H.R. 5672 and reported SSJC Appropriations for FY2007 (H.Rept. 109-520), appropriating \$3.38 billion for the agency. On July 13, 2006, the Senate reported H.R. 5672, amended (S.Rept. 109-280), and recommended \$4.43 billion for NOAA for FY2007. H.J.Res. 102 (P.L. 109-289, division B) requires that for FY2007 NOAA be funded at House-passed H.R. 5672 levels until February 15, 2007.

On August 29, 2005, Hurricane Katrina hit the northern coast of the Gulf of Mexico and inflicted major damage. Scores of lives were lost. President Bush requested emergency appropriations to repair damages of NOAA equipment and facilities. A 1% across-the-board discretionary spending cut was proposed for most federal agencies to offset funding for the 2005 Gulf hurricane disasters in P.L. 109-148. The act funded \$54.3 million in emergency appropriations for NOAA. On February 6, 2006, President Bush requested another \$32.8 million for NOAA recovery in the Gulf. Congress passed H.R. 4943, appropriating \$150 million instead (P.L. 109-248). In the end, NOAA received a total appropriation of \$4.1 billion for FY2006.

FY2007 Budget Request. The President requested nearly \$3.68 billion for NOAA for FY2007. (See **Table 1** 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.” On February 8, 2006, in Washington, DC, Administrator VADM Conrad C. Lautenbacher, Jr. (Ret.-USN) of NOAA discussed proposed funding increases for some discretionary programs and funding cuts for others.² NOAA’s FY2007 baseline budget was set at \$3.91 billion, which excludes FY2006 emergency appropriations.

Table 1 below shows the Presidents’s request for the agency and subsequent appropriation action for FY2007. NOAA has three budget accounts. The Operations, Research, and Facilities (ORF) account funds research programs and operations of five line offices and Program Support (PS). The Procurement, Acquisition, and Construction (PAC) account funds multi-year, capital-intensive outlays across the agency. NOAA’s “Other Accounts” finance U.S. fishery operations, and manage the Pacific Coastal Salmon Recovery Fund (PCSRF) and the Coastal Zone Management Fund (CZMF).³ Also, a portion of fees collected in the CZMF and proceeds from the Promote and Develop American Fisheries Fund (PDAF) are transferred to ORF as budget authority. In some

² See the presentation at [http://www.corporateservices.noaa.gov/%7Enbo/FY07_BlueBook/PDFs/VADMFY07ConstituentBriefFINAL_NoNotes.pdf].

³ 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.

years, Congress has authorized NOAA use of previous fiscal year surplus funding (deobligations).

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

Accounts		FY2006 Approp. ^a	FY2007 Req. ^b	H.R. 5672 ^c	Senate Mark ^d
NOAA 5 Line Offices & Program Support					
NOS	ORF	500.0	394.5	315.1	630.5
	PAC	92.6	12.7	—	144.8
<i>National Ocean Service</i>		595.6	407.2	315.1	775.3
NMFS	ORF	678.5	649.0	539.1	813.7
	PAC	17.5	0.0	—	—
<i>National Marine Fisheries Service</i>		696.0	649.0	539.1	813.7
OAR	ORF	373.7	338.3	328.5	467.2
	PAC	9.5	10.4	10.4	18.4
<i>Oceanic & Atmospheric Research</i>		383.2	348.7	338.9	485.6
NWS	ORF	745.3	783.4	784.6	823.6
	PAC	92.0	98.4	100.4	103.0
<i>National Weather Service</i>		837.3	881.8	885.0	890.1
NESDIS	ORF	179.3	149.6	145.3	163.2
	PAC	785.3	884.3	884.3	719.8
<i>Natl. Enviro. Satellite, Data, & Info. Service</i>		964.6	1,033.9	1,029.6	883.0
PS	ORF	356.4	364.1	356.6	386.3
	PAC	127.4	20.7	3.6	71.9
Program Support ^e		483.8	384.8	361.2	458.2
ORF Subtotal		2,727.9	2,587.8	2,365.2	3,284.4
ORF Deobligations and Transfers ^f		(66.1)	(77.0)	(77.0)	(77.0)
ORF Adjustments ^g		2.9	5.0	3.0	5.0
FY2006 Emergency Appropriations (ORF) ^h		\$135.2	—	—	—
Total ORF		2,866.1	2,592.8	2,368.2	3,289.4
Procurement, Acquisition, and Construction					
PAC Subtotal		1,109.9	1,024.5	996.7	1,057.9
FY2006 Emergency Appropriation (PAC) ^h		69.4	—	—	—
Total PAC		1,179.3	1,024.5	996.7	1,057.9
Other Accounts					
PCSRF		66.6	66.8	22.0	90.0
CZMF		(3.0)	(3.0)	(3.0)	(3.0)
Fisheries Financing		(9.0)	(3.0)	(5.0)	(3.0)
Total Other		54.6	60.8	12.0	84.0
Grand Total NOAA		\$4,100.0	\$3,678.1	\$3,376.9	\$4,431.3

Source: Compiled by CRS from sources noted below.

a. Grand totals for the FY2006 appropriation and the President's FY2007 budget request are estimates of the Senate Appropriations Committee (S.Rept. 109-280, July 13, 2006).

b. Request detail from U.S. Department of Commerce, NOAA, *FY2007 Budget Summary*, February 7, 2006.

c. H.R. 5672 as passed by House, June 26, 2006 (funding recommended in H.Rept. 109-520).

- d. See note a.
- 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.
- g. Adjustments include \$2 million for retirement set-asides and/or \$3 million for CZMA.
- h. 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 about 1.0% for the agency. In addition, sect. 638 of P.L. 109-108 reduced NOAA funding by 0.28%. FY2006 emergency appropriations for NOAA were included in P.L. 109-148 and P.L. 109-234.

The President's request is about \$420 million, or 10.2%, less than the \$4.1 billion appropriated for NOAA in FY2006. NWS and NESDIS would receive increases, including \$104 million for NOAA's Global Orbiting Environmental Satellite (GOES) program to procure new "GOES-R" generation instrumentation. The National Polar Orbiting Environmental Satellite System (NPOESS) budget increase proposes \$20.3 million to address slipping schedules and cost overruns. (NOAA funding for NPOESS is matched by the Department of Defense.) The President requested \$12.4 million to procure the remaining tsunami detection buoys for NWS's National Tsunami Warning Program, culminating the Administration's commitment of \$40 million toward that goal.⁴

Table 2. The NOAA Program Support Funding Detailed

NOAA Accounts	FY2006 Approp.	FY2007 Req.	H.R. 5672	Senate Mark
Corporate Services (CS)^a	179.0	192.0	183.8	191.8
Educational Pgms. (Ed)^b	34.0	19.3	26.5	37.9
Off. Marine & Aviation Ops. (OMAO)	194.8	129.9	128.9	175.8
Marine O&M	113.8	93.5	106.3	114.7
Aviation Ops.	18.6	19.2	19.0	19.2
Fleet Replace/Acq. (PAC)	62.5	38.2	3.6	41.9
Facilities (FAC)	58.0	23.0	21.0	52.8
Maint./Enviro./Safety	11.0	23.0	4.0	22.8
Construction (PAC)	47.0	—	17.0	30.0
Integr. Ocean Obs. Sys. (IOOS)^c	18.0	12.9	—	—
Total	\$407.8	\$377.1	\$360.2	\$458.3

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 budget line was created in FY2006 to fund development of an Integrated [Coastal &] Ocean Observation System (IOOS). (See S.Rept. 109-88.)

Other budget priorities for NOAA in FY2007 included increases of \$10.5 million to clear a backlog of coastal hydrographic surveys and to update nautical charts; \$6.1

⁴ For additional information about tsunami warning systems and funding, see CRS Report RL32739, *Tsunamis: Monitoring, Detection, and Early Warning Systems*, by Wayne Morrissey.

million for the “global environmental observing system of systems” (GEOSS); and \$22.5 million for protection of marine endangers 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 that were rescinded in FY2005 by Section 638 in Title II of P.L. 109-108. The President sought \$627 million in NOAA savings by terminating certain programs, including \$572 million from congressional add-ons for FY2006, which the Administration did not request. The other \$55 million in terminations are construction projects funded for one year only. The President’s FY2007 budget for NOAA has been criticized by Joint Oceans Commission Initiative (JOCI) leaders because of proposed cuts in ocean and coastal research-related activities. JOCI supporters are concerned that these activities would be cut by \$280 million compared with the FY2006 appropriation. The National Ocean Policy Commission (Recommendation 25.1) recommended a doubling of funding for these activities by 2009.⁵

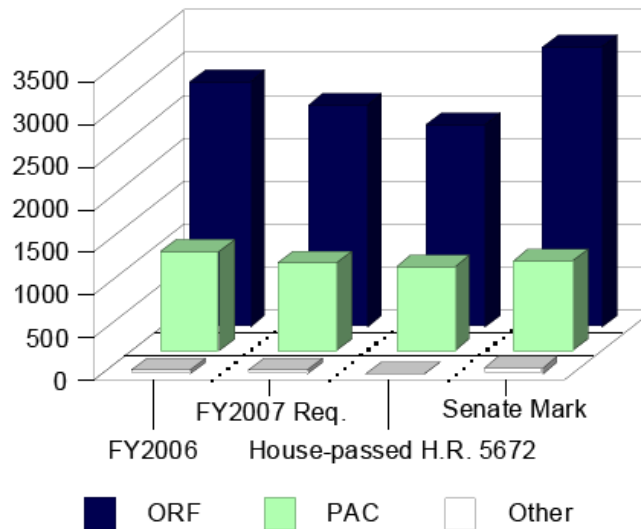
House Appropriations. On June 26, 2006, the House passed H.R. 5672, SSJC Appropriations for FY2007 and appropriated nearly \$3.38 billion for NOAA (H.Rept. 109-520). This is about \$300 million, or 8.2%, less than the FY2007 request of \$3.68 billion and \$570 million, or 14.4%, less than the FY2006 appropriation (House totals included emergency appropriations). The House cut funding for most NOAA line office budgets more than the President’s request had; the National Weather Service being the exception. NOAA’s Satellite budget was cut reflecting dissatisfaction with management of the NPOESS program and its associated satellite data management components. The PCSRF request of \$67 million was cut to less than \$20 million, because of little quantitative data about the program’s performance was provided to Congress. NOS and NMFS had the largest budget cuts reflecting the Administration’s proposed terminations for FY2007, such as no new funding provided for marine research or ocean exploration.

Senate Appropriations Committee Recommendations. On July 13, 2006, H.R. 5672 (amended) was reported by the Senate Appropriations Committee (S.Rept. 109-280) as a substitute bill, which recommended \$4.43 billion for NOAA. This is \$330 million more than FY2006 appropriations of \$4.1 billion, \$750 million more than the FY2007 request, and \$1 billion more than House appropriations for FY2007. Increases of \$511 million were recommended to fund ocean and coastal research activities that were called for by the JOCI. (JOCI leaders had recommended \$715 million.) Of the Senate committee’s recommendations, \$142.8 million would be used to develop the Integrated [Coastal and] Ocean Observation System, exceeding JOCI leaders’ recommendations. The Senate committee also recommended increases for NOAA fisheries (NMFS) for science-based marine conservation, management, and restoration activities. It recommended a \$25 million increase for the National Sea Grant Program and would fully fund Ocean Exploration. Further, \$28 million was recommended for the National Buoy Data Center for network upgrades and long-term operations and maintenance. The network is integral to many NOAA programs and NWS operations. Funding for NOAA educational programs was recommended at \$38 million, about \$19 million more than the FY2006 request. Increases were recommended for Marine Data Acquisition (OMAO) mainly to fund salaries and benefits for 22 additional commissioned officers, some of whom pilot NOAA marine vessels and aircraft while

⁵ 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/>].

others are professional divers. The committee also recommended \$49 million for marine research vessel procurement, rehabilitation, and conversion. Also, NOAA was directed to provide a detailed cost estimate for acquiring a second (Gulfstream IV) hurricane reconnaissance jet. The PCSRF would be slated for \$90 million in funding, about \$70 million more than the House appropriation. The final outcome for NOAA funding for FY2007 remains to be seen. The FY2008 budget for NOAA will be introduced on February 8, 2007.

Figure 1. NOAA Funding Distribution by Accounts



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

Related Budget Issues

Other factors may bear on NOAA's FY2007 budget outcome. These include

- 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 (109th Cong., 2nd 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*.
- Outcome of congressional deliberations on NOAA's FY2007 budget.