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SUPPLEMENTAL APPROPRIATIONS IN THE 1990s

Supplemental appropriations provide further funding—beyond that provided in regular appropriation acts—for a fiscal year already in progress. This Congressional Budget Office (CBO) study focuses on trends in supplemental spending in fiscal years 1990 through 1999. It updates two previous CBO publications: *Supplemental Appropriations in the 1970s* (July 1981) and *Supplemental Appropriations in the 1980s* (February 1990). As a percentage of the total budget authority enacted each year, supplemental funding has declined since the 1970s (with the exception of funding for the Persian Gulf War in the early 1990s).

Nineteen supplemental appropriation laws were enacted during the 1990s. In 14 other instances, supplemental appropriations or rescissions (cancellations of previously provided budget authority) were enacted for a current fiscal year as part of regular appropriations for the current or coming year. Supplemental funding ranged from a high of $48.6 billion in 1991 (most of it for the Gulf War) to a low of $4.5 billion in 1996. Rescissions were enacted in every year of the decade, either as explicit offsets to supplemental funding or as part of regular appropriations. Those rescissions ranged from $18.9 billion in 1995 to $0.3 billion in 1991.

More than 91 percent of supplemental appropriations (net of rescissions) in the 1990s were classified as discretionary—a much greater share than in the previous two decades. Besides supplemental defense spending for the Gulf War in 1991 and 1992, domestic supplementals were enacted in response to natural disasters, such as hurricanes and earthquakes, and "nonnatural" disasters, such as the Los Angeles riots in 1992 and the Oklahoma City bombing in 1995. The other 9 percent of supplemental appropriations (net of rescissions) in the 1990s were classified as mandatory; they provided extra funding for the unemployment insurance, Food Stamp, and veterans' compensation programs.

Several types of supplemental appropriations common in the 1970s and 1980s faded away in the 1990s. Supplementals for pay raises for federal employees, although frequent in the 1970s, were virtually nonexistent in the 1990s. Supplementals enacted as a result of late authorizations of programs also disappeared in the 1990s, although unauthorized appropriations continued to occur.

During most of the decade, discretionary spending was subject to statutory caps established by the Budget Enforcement Act of 1990 (BEA) and later amendments. Following enactment of the BEA, however, more than $76 billion in discretionary supplemental spending (net of rescissions) was enacted through 1999. Despite the controls specified in the BEA, only once during that period did a breach of the discretionary spending caps trigger an automatic cancellation of budgetary resources. The BEA provision allowing the caps to be raised by the amount of any spending that the Congress and the President designate as emergency funding may have encouraged that additional spending. Indeed, almost 92 percent of the discretionary supplemental appropriations enacted after the BEA took effect were designated as emergency spending.

Throughout the decade, nonemergency supplemental budget authority was generally offset—at least on paper—by rescissions. Later in the decade, some emergency supplementals were also offset by rescissions. However, those rescissions may not have truly offset the supplemental spending with which they were linked. An examination of outlays—the rate at which budget authority is actually spent by the government—shows that only in 1995 and 1996 did rescinded budget authority fully offset the new supplemental budget authority expected to be spent in the first year. Information about expected outlays over a five-year period is limited, but it confirms that rescissions fully offset supplemental spending in only those two years of the 1990s.

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