



September 12, 2013

Honorable Paul Ryan
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As you requested, the Congressional Budget Office (CBO) has prepared this letter about the budget authority that would be provided by the continuing resolution for fiscal year 2014 (as introduced in the House on September 10) and how that authority would compare with the statutory caps in place for next year.

H. J. Res. 59, the Continuing Appropriations Resolution, 2014, would provide funding through December 15, 2013.¹ Nevertheless, CBO's estimates for such short-term funding bills routinely show the full-year, or annualized, amount for the authority that would be provided. If H. J. Res. 59 was enacted, the appropriations for 2014 would total—on an annualized basis—\$1,087.7 billion, by CBO's estimate.

That total includes funding for certain activities that are not constrained by the caps on discretionary budget authority—overseas contingency operations, disaster relief, and program integrity initiatives; such funding would total \$101.4 billion. As a result, funding for programs limited by the statutory caps would total \$986.3 billion on an annualized basis, CBO estimates.

The caps for 2014 total \$967.5 billion—\$498.1 billion for defense budget authority and \$469.4 billion for nondefense budget authority.² Therefore, if

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1. The only exception is that the resolution would provide \$636 million in funding for wildland fire management that would be available until expended.
 2. The caps were initially established by the Budget Control Act of 2011, later amended by the American Taxpayer Relief Act of 2012, and further reduced by the automatic spending reductions specified in the Budget Control Act.

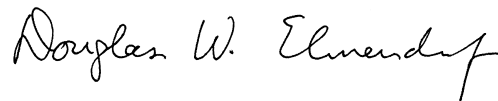
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the appropriations provided by H. J. Res. 59 were in effect for the full fiscal year, total funding constrained by the caps would exceed the sum of the two caps by nearly \$19 billion (see the attached table). Annualized defense funding would exceed its cap by about \$20 billion; annualized nondefense funding would be about \$1 billion below its cap.

If appropriations in place at the end of this session of the Congress were to exceed one or both of the caps on budget authority for 2014, the Office of Management and Budget would be required to issue a sequestration order 15 days after adjournment that reduced appropriations to the capped amounts.

If you wish further details, we will be pleased to provide them. The CBO staff contact is Jeff Holland.

Sincerely,



Douglas W. Elmendorf
Director

Attachment

cc: Honorable Chris Van Hollen
Ranking Member

Honorable Hal Rogers
Chairman, Committee on Appropriations

Honorable Nita Lowey
Ranking Democratic Member

Annualized Budget Authority for 2014 Provided by the Continuing Appropriations Resolution, 2014 (H. J. Res. 59) as Introduced in the House

(Billions of dollars)

	<u>Defense</u>	<u>Nondefense</u>	<u>Total</u>
Total Discretionary Budget Authority for 2014 Provided in the Continuing Resolution	602.0	485.6	1,087.7
Less: Appropriations for Which the Caps are Adjusted			
Overseas contingency operations ^a	84.0	10.8	94.9
Disaster relief ^b	0.0	6.1	6.1
Program integrity initiatives ^c	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>
Subtotal	84.0	17.4	101.4
Budget Authority Constrained by the Caps	518.0	468.2	986.3
Caps on Budget Authority for 2014	498.1	469.4	967.5
Amount that the Budget Authority Constrained by the Caps Exceeds or is Under (-) the Caps	19.9	-1.1	18.8

Source: Congressional Budget Office.

Notes: H. J. Res. 59 would provide funding through December 15, 2013. All amounts are annualized, except for \$636 million for wildland fire management, which would be available until expended.

If appropriations in place at the end of this session of the Congress were to exceed the caps on budget authority for 2014, the Office of Management and Budget would be required to issue a sequestration order 15 days after adjournment that reduced appropriations to the capped amounts.

Numbers in the table may not add up to totals because of rounding.

a. This category consists of funding for war-related activities in Afghanistan or for similar activities.

b. For the purposes of adjustments to the caps, "disaster relief" refers to activities carried out pursuant to section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)); such activities may result from a natural disaster that causes damage of sufficient severity to warrant federal assistance.

c. Program integrity initiatives identify and reduce overpayments in benefit programs, such as Disability Insurance, Supplemental Security Income, Medicare, Medicaid, and the Children's Health Insurance Program. For 2014, the continuing resolution includes funding for program integrity initiatives related to Disability Insurance and Supplemental Security Income.