Legislative Bulletin.....January 15, 2014

# House Amendment to the Senate Amendment to the Text of H.R. 3547 (Consolidated Appropriations Act of 2014)

<u>Order of Business</u>: <u>This legislation</u> is scheduled to be considered on the floor on Wednesday, January 15, 2014, under a rule that allows one amendment consisting of the text of the Consolidated Appropriations Act.

<u>Summary</u>: This Consolidated Appropriations Act of 2014 (Omnibus) is a result of negotiations between House and Senate Appropriators, operating within the confines of the <u>Bipartisan Budget Act of 2013</u>, which increased the BCA discretionary caps for FY14 and FY15 by \$64.3 billion. This increase is offset by spending cuts and revenue increases of approximately \$85 billion over ten years. Text of the RSC's Legislative Bulletin on the Bipartisan Budget Act can be found here.

This legislation will provide discretionary spending of \$1,012 billion, an increase of approximately \$45 billion. This includes \$491.8 billion for non-defense discretionary (an increase of \$22.4 billion) and \$520.5 billion for defense discretionary (an increase of \$22.4 billion). Including Overseas Contingency Operation funding (\$91.9 billion) and Disaster funding (\$6.5 billion), overall discretionary spending totals \$1,110 billion. Including Disaster and OCO funding, total discretionary spending is \$21.4 billion below FY13 post-sequester spending.

# **Provisions of Note:**

**Agricultural Research Service:** The legislation appropriates \$1.122 billion for the Agricultural Research Service. This legislation contains limitations on the modernization or replacement of existing facilities. However the legislation exempts facilities at Beltsville, Maryland from these limitations. The headquarters of USDA's Agricultural Research Service are located in Beltsville. More details are linked here.

**SNAP:** The legislation appropriates \$82.169 billion for the Supplemental Nutrition Assistance Program (SNAP). Total costs of this program in <u>FY 2013 were \$79,641,880,000</u>.

**Building Designation:** The legislation designates the federal building at 64 Nowelo Street, Hilo, Hawaii, as the Daniel K. Inouye United States Pacific Basin Agricultural Research Center.

**Loan Guarantees:** The legislation grants the Secretary the ability to increase certain loan guarantees by 25 percent, if the loan guarantees do not require budget authority and the program level has already been established.

**Study on Hunger:** The legislation appropriates \$1,000,000 to study the existing and prospective scope of domestic hunger and food insecurity.

**National Commission on Hunger:** The legislation establishes a National Commission on Hunger to provide policy recommendations to Congress and the Secretary to more effectively use existing programs and funds of the Department of Agriculture to combat domestic hunger and food insecurity.

**Department of Defense:** The bill provides a non-emergency spending level of \$486.851 billion, and an additional \$85.191 billion for overseas contingency operations (known as war funding).

For FY12, overseas contingency operations were funded at \$115.083 billion, and had a FY13 request of \$88.480 billion. According to the Appropriations Committee, the proposed FY14 level is a \$2 billion reduction compared to FY13.

The legislation prohibits funding from establishing any military installation or base for the purpose of providing permanent stationing of U.S. forces in Iraq, or to exercise control over any oil resource of Iraq. The legislation also prohibits funding to establish any military installation or base for the purpose of providing permanent stationing of U.S. forces in Afghanistan.

**Department of Veterans Affairs,** *generally:* The legislation includes a total of \$147.9 billion in both discretionary and mandatory funding for the Department of Veterans Affairs. Discretionary funding for VA programs in the agreement is \$63.2 billion – \$2.3 billion above the enacted fiscal year 2013 level. The agreement contains \$55.6 billion in advance fiscal year 2015 funding for the VA – the same level provided in the House budget resolution. This funding will provide for medical services, medical support and compliance, and medical facilities.

Medically Retired Personnel and Survivor Benefit Plans: The legislation amends the Ryan-Murray Agreement to exempt medically retired personnel and survivor benefit plan recipients from having their cost-of-living benefits temporarily reduced. This will ensure disabled veterans and surviving families receive the full benefits they are due.

**Disability Claims Processing Backlog:** The legislation includes a major crosscutting initiative that will help the VA meet its goal of ending the disability compensation claims backlog by 2015. This includes:

- \$140 million an increase of \$20 million above the President's request and \$26 million above the fiscal year 2013 enacted level for information technology upgrades at regional offices to manage the improved paperless claims processing system;
- \$90 million for potential overtime, and \$10 million for additional training for claims processors;

- \$88 million a \$13 million increase above the President's request for the Board of Veterans Appeals to address the growing appeals backlog;
- Provisions directing audits to assess performance and rigorous public monthly reporting requirements to track the performance of each regional office on claims processing.

**Department of Homeland Security:** The legislation provides \$122,350,000 for the office of the Secretary and executive management, \$196,015,000 for the Office of the Under Secretary for Management, \$46,000,000 for the Chief Financial Officer, and \$257,156,000 for the Chief Information Officer.

**U.S. Customs and Border Protection and Immigration and Customs Enforcement:** The legislation funds CBP at \$8,145,568,000, of which \$3,274,000 shall come from the Harbor Maintenance Trust Fund. U.S. ICE is funded at \$5,229,461,000.

**Centers for Disease Control and Prevention:** Includes \$6.9 billion for the CDCP. This is \$567 million above fiscal year 2013. This includes spending for chronic disease prevention, public health preparedness and response, and various other public health needs.

**NIH:** The bill includes \$29.9 billion for the NIH, \$1 billion above the fiscal year 2013 level.

**Public Health Service:** Funds provided (\$286,479,000) under title X of the Public Health Service (PHS) Act to provide for voluntary family planning projects are not to be expended for abortions. All pregnancy counseling should be nondirective.

**Substance Abuse Mental Health Services Administration (SAMHSA):** Provides almost \$1.1 billion for mental health programs within the SAMHSA, which is \$136 million more than the 2013 enacted level. SAMHSA is funded at \$3.6 billion which is an increase of \$144 million over the fiscal year 2013 enacted level.

Affordable Care Act (ACA), *generally*: Provides no new funding for the ACA and its implementation. Requires disclosure of information regarding employees or contractors supported by funds appropriated for the purposes of carrying out the ACA. The following information is required for each fiscal year: the section of the ACA where the funds were appropriated, a statement indicating the program, project or activity receiving the funds, the Federal operating division or office that that administers the program and the amount of funding received in discretionary or mandatory appropriations. Requires the Secretary of HHS to publish as part of the fiscal year 2015 budget, information that details the use of all funds used by CMS specifically for Health Insurance Marketplaces for each fiscal year since the enactment of the ACA. The act also continues a restriction on federal grant money to be used to lobby. This is a response to HHS using taxpayer dollars to advance the ACA.

**ACA Slush Fund:** Reduces the Prevention and Public Health Fund (sometimes referred to as the "Obamacare slush fund") by \$1 billion.

**IPAB:** Eliminates all funding (\$10 million) for the Independent Payment Advisory Board (IPAB).

**Department of the Interior:** The legislation appropriates \$30.058 billion for the Department of the Interior. It also allows the Secretary of the Interior to participate in non-federal groundwater banking programs in order to increase the operational flexibility of water in the state of California.

**Bureau of Land Management:** The bill appropriates \$956,875,000 for BLM. Within that amount, BLM is appropriated \$19,463,000 specifically for land acquisition. The U.S. Fish and Wildlife Service is appropriated \$1,188,339,000, and the National Park Service is appropriated \$2,236,753,000.

**Bureau of Ocean Energy Management:** BOEM is appropriated \$166.891 billion for granting leases, easements, rights-of-way and agreements for use for oil and gas. Additionally, the Abandoned Mine Reclamation Fund is appropriated \$27,399,000.

**John F. Kennedy Center for the Performing Arts:** The Kennedy Center is appropriated \$22,193,000 for operations and maintenance, and an additional \$12,205,000 for capital repair and restorations.

**Greenhouse Gas Emissions:** The legislation prohibits funding to promulgate or implement any provision in a rule, if that provision require mandatory reporting of greenhouse gas emissions from manure management systems.

**Federal Energy Regulatory Commission:** The legislation appropriates \$304,600,000 for salaries and expenses at FERC.

**High-Hazard Nuclear Facilities:** the legislation prohibits funding for the construction of facilities classified as high-hazard nuclear facilities unless independent oversight is conducted by the Office of Health, Safety, and Security.

**Weatherization Assistance Program:** The legislation prohibits funding from enforcing a portion of the Democrats "stimulus" with respect to the Weatherization Assistance Program.

Commission to Review the Effectiveness of the National Energy Laboratories: The legislation establishes a new independent commission.

**Incandescent Light Bulb:** The legislation prohibits funding to enforce certain provisions of the Energy Independence and Security Act of 2007, which contained increased efficiency standards on incandescent light bulb. Several Members have offered legislation to permanently repeal these provisions, which some argue equates to a phase-out of the common incandescent light bulb.

**Department of Justice:** The Act provides \$27.4 billion for the Department of Justice, \$338 million more than FY 13 enacted level. The mission statement of the DOJ is to "To enforce the

law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans." The Department of Justice is currently led by Attorney General Eric Holder. The Act provides \$1 million for an independent review of the DOJ Civil Rights Division.

Counter-Terrorism and Cyber-Security Activities: The Act provides funding for these programs in the Federal Bureau of Investigations (FBI) is increased by \$232 above FY 13. According to the FBI they "lead the national effort to investigate high-tech crimes, including cyber-based terrorism, espionage, computer intrusions, and major cyber fraud." In addition, the FBI Director Comey stated that "the diverse threats we face are increasingly cyber-based."

**Prescription Drug Abuse:** The Act provides the Drug Enforcement Administration (DEA) \$361 million to combat prescription drug abuse. The <u>Centers for Disease Control and Prevention</u> has called prescription drug abuse an "epidemic."

**Fast and Furious:** The Act includes a policy rider preventing the funding of any type of future Fast and Furious programs. The Fast and Furious program was a "gunwalking" program by the DOJ and has been called "the perfect storm of idiocy." Weapons were provided by the U.S. government that ultimately ended up in the hands of Mexican drug cartels. Weapons that originated in the program were used by criminals in Mexico to murder U.S. Border Agent Brian Terry. A detailed report prepared by the House Committee on Oversight and Government Reform is available here.

**Pro-Life: Legal Services Corporation:** The Act maintains pro-life riders to prevent the <u>Legal Services Corporation</u> from assisting in abortion litigation.

**Pro-Life: Abortions for Federal Prisoners:** The Act maintains policy riders that prohibit abortions for federal prisoners.

**Guantanamo Bay:** President Obama has repeatedly stated his desire to close the Guantanamo Bay detention center that houses suspected terrorists. The Act prohibits any funds from being used to transfer prisoners from Guantanamo Bay or to build or purchase prisons in the U.S. to house the Guantanamo Bay prisoners.

**Patent and Trademark Office:** The Act increases funding to the U.S. Patent and Trademark Office by \$91 million over FY 13. The <u>U.S. Patent and Trademark Office</u> is responsible for registering trademarks and granting U.S. patents.

**Internal Revenue Service:** The Act provides \$11.3 billion for the Internal Revenue Service (IRS), a decrease of \$526 million under the FY 13 enacted level. No new money is included for the Patient Protection and Affordable Care Act (Obamacare) activities. \$92 million authorized to help address identify fraud, refund fraud, and improve taxpayer services. The legislation also contains several important policy riders including:

- A prohibition on funds being used to target groups or citizens based on their
  political beliefs. The House Committee on Ways and Means held a hearing on
  the various abuses of the IRS. The IRS routinely subject groups with "Tea Party"
  or "Patriots" in their name. More information can be viewed here.
- A prohibition on the use of funds for video production not consistent with the IRS mission. The prohibition is the result of the IRS use of over \$60,000 in taxpayer funds to produce "Gilligan's Island" and "Star Trek" spoof videos. A Washington Post article that contains links to the videos can be viewed <a href="here">here</a>.

**Economic Development Administration:** The legislation appropriates \$209.5 million for the Economic Development Administration.

**Economic and Statistical Analysis:** The legislation appropriates \$99 million for salaries and expenses.

**Census Bureau:** The legislation appropriates \$252 million for salaries and expenses.

**National Oceanic and Atmospheric Administration:** The bill provides \$3.157 billion for NOAA.

**National Security Agency:** Bars postal officials from ending Saturday mail delivery and prevents rural post office closings.

**Pro-Life (F.S.):** The Act prohibits the District of Columbia from using state or local funds to provide abortions and prevents any funds within the Federal Employee Health Benefit Program from being used for abortions.

**District of Columbia private school scholarships:** The Act includes \$16 million for scholarships for low-income students in DC to attend private schools.

**Department of Education:** This bill funds the Department of Education at \$70.6 billion - \$739 million below the FY 2013 enacted level. It prohibits the Administration's proposed Preschool Development Grants program and Race to the Top College Affordability program and includes \$8.6 billion for Head Start, which is \$612 million more than the 2013 enacted level, \$2.36 billion for Child Care & Development Block Grants, which is \$36 million more than the 2013 enacted level.

**Pell Grants:** The maximum Pell Grant award per student will be increased to \$5,730. According to a <u>summary</u> provided by the Appropriations committee, this funding increase is outside their jurisdiction.

**Department of Labor:** The bill provides \$12 billion for the Department of Labor - \$449 million below the fiscal year 2013 enacted level. It also provides \$1.7 billion for the Office of the Jobs Corps. This is \$14 million less than FY 13 enacted level, but \$75 million above the sequester level.

**National Labor Relations Board:** There is \$274.2 million for the NLRB. This is a decrease of \$4 million from last year and falls \$10.8 million below the President's budget request. This bill also continues a provision intended to stop the implementation of the "e-Card Check."

**Securities and Exchange Commission**: The Act provides \$1.35 billion in total funding for the Securities and Exchange Commission which is a \$29 million increase from FY 13. However, the legislation also rescinds \$25 million the Securities and Exchange Commission Reserve Fund used by the SEC to implement programs not approved by Congress. See Section 628 of the Act. \$44 million is allocated to the Division of Economic and Risk Analysis so that the Commission will use economic analysis in when making rules.

**Federal Trade Commission:** The Act prohibits the Federal Trade Commission complete the draft report entitled "Interagency Working Group on Food Marketed to Children: Preliminary Proposed Nutrition Principles to Guide Industry Self-Regulatory Efforts unless a cost-benefit analysis is conducted beforehand. See <u>Section 620</u>.

Pay for the Vice-President and the senior political appointees: Section 741 of the bill prohibits Vice President Biden and senior political appointees from receiving a pay increase during the 2014 calendar year.

**Federal Contracts:** Section 735 of the Act prohibits the use of funds from the Act being used to force any entity submitting a bid for a Federal contract to disclose past political contributions.

**AMTRAK:** The Act reduces funds for AMTRAK by \$126 million and limits the amount of overtime available to individual employees to \$35,000. The profitable Northeast Corridor subsidizes losses on the long-distance corridors. The Act prohibits AMTRAK from using federal funds to offer discounts at 50% or more.

**High Speed Rail:** The Act rescinds all funding for Next Generation High Speed program.

**Housing:** The Act decreases Department of Housing and Urban Development (HUD) funding by \$687 million below the FY 13 level. HUD's <u>mission</u> is "to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business."

**Housing for Veterans:** The Act contains \$75 million for veterans' housing vouchers.

**Highways:** The Act provides \$41 billion for the federal highway and highway safety programs, consistent with MAP-21 levels. The Act increases highway funding by \$557 from FY 2013 levels.

**Community Development Block Grants:** The Act provides over \$3 billion for the Community Development Block Grant program, an \$82 billion increase above FY 13 enacted.

**Contributions to International Organizations:** The legislation appropriates \$1,265,762,000 for Contributions to International Organizations, as well as \$1,765,519,000 for contributions for International Peacekeeping Activities. The legislation does not appropriate funding to the International Monetary Fund.

**U.S. AID:** The legislation appropriates \$1,059,229,000 for the U.S. Agency for International Development, including up to \$40,000,000 for direct loans and loan guarantees. The legislation appropriates \$5,100,000 for the Export-Import Bank.

**Foreign Aid Prohibitions:** The legislation prohibits funding to be obligated or expended to finance Cuba, North Korea, Iran or Syria. Additionally, the legislation prohibits funding to any country whose duly elected head of government has been deposed by a military coup.

Funds are prohibited from being provided to support a Palestinian state unless the Secretary of State certifies that the governing entity has demonstrated a firm commitment to a peaceful coexistence with the state of Israel, and is taking measures to counter terrorism and terrorist financing in the West Bank and Gaza.

The legislation also contains a prohibition of funding to implement the Arms Trade Treaty until the Senate approves a resolution ratifying the treaty.

**US Postal Service:** Bars postal officials from ending Saturday mail delivery and prevents rural post office closings.

**ACORN:** The legislation prohibits funding to be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, or allied organizations.

# **Potential Conservative Concerns:**

Some conservatives worry the continued funding of the ACA could entangle taxpayer dollars with abortion coverage. This is due to federal subsidies being issued to help purchase health care plans on the exchanges could cover elective abortions.

Additionally, the Act does not subject the Consumer Financial Protection Bureau (CFPB) to the regular appropriations process. The Dodd-Frank Wall Street Reform Act removed the CFPB from the oversight that is provided by the regular appropriations process.

Lastly, \$18 billion in savings comes from Changes in Mandatory Programs (CHIMPS), which reduce mandatory budget authority that is not likely to be spent. Some conservatives may see this as an offset that will not be realized.

Administration Position: The Statement of Administration Policy states that the Obama Administration "supports House passage of H.R. 3547...[as it] adheres to the funding levels agreed to in the Bipartisan Budget Act of 2013, and reflects compromise by both parties. It unwinds some of the damaging cuts caused by sequestration, ensures the continuation of critical services that the American people depend on, and invests in essential areas such as education,

infrastructure, manufacturing, and scientific research, which contribute to growing the economy, creating jobs, and strengthening the middle class. Further, H.R. 3547 is a positive step forward that helps return the budget process to regular order. The Administration urges swift passage of the legislation."

<u>Committee Action</u>: The bill was introduced on January 10, 2013, and referred to the Committee on Appropriations, which took no action.

<u>Cost to Taxpayers</u>: The Congressional Budget Office estimate is located <u>here</u>.

#### **Outside Organizations:**

Support:

Campaign to Fix the Debt

**Ducks Unlimited** 

**PhRMA** 

# Oppose:

**Heritage** 

Heritage Action (Key Vote No)

Club for Growth (Key Vote No)

FreedomWorks (Key Vote No)

Americans for Prosperity

R Street

Council for Citizens Against Government Waste

For America

# **RSC Staff Contact:**

Brett Horton, <u>Brett.Horton@mail.house.gov</u>, ex. 5-3015

Rebekah Armstrong (Health/Education), <u>rebekah.armstrong@mail.house.gov</u>, ex. 6-0678 Curtis Rhyne (Natural Resources/Defense), <u>curtis.rhyne@mail.house.gov</u>, ex. 6-8576 Scott Herndon (Transportation), <u>scott.herndon@mail.house.gov</u>, ex. 6-2076

<u>NOTE</u>: RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.

###