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# **OMB Final Sequestration Report to the President and Congress for Fiscal Year 2015**

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January 20, 2015



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### GENERAL NOTES

1. All years referred to are fiscal years unless otherwise noted.
2. Details in the tables and text may not add to totals due to rounding.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

January 20, 2015

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Enclosed please find the *OMB Final Sequestration Report to the President and Congress for Fiscal Year 2015*, which has been prepared pursuant to section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended. As required by BBEDCA, this report provides the Office of Management and Budget's (OMB) current estimates of the discretionary spending limits for each category in BBEDCA, OMB's scoring of the enacted or continuing 2015 discretionary appropriations bills compared to those limits, and comparisons of OMB's estimates with the estimates provided by the Congressional Budget Office in its *Final Sequestration Report for Fiscal Year 2015*.

Based on the estimates in this report, enacted or continuing appropriations are within the discretionary spending limits for 2015, and a sequestration of discretionary budget authority pursuant to section 251 of BBEDCA is not required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shaun Donovan".

Shaun Donovan  
Director

Enclosure

Identical Letter Sent to The Honorable Joseph R. Biden, Jr.  
and The Honorable John A. Boehner



## I. INTRODUCTION

The Budget Control Act of 2011 (BCA) amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) by reinstating the spending limits on discretionary budget authority for 2012 through 2021. The 2013 and 2014 limits were revised by the American Taxpayer Relief Act of 2012 (ATRA) and the 2014 and 2015 limits were further revised by the Bipartisan Budget Act of 2013 (BBA).

Section 254 of BBEDCA requires the Office of Management and Budget (OMB) to issue a final sequestration report 15 days after the Congress ends a session to determine whether a sequestration of discretionary budget authority is required, based on OMB's scoring of enacted discretionary appropriations against the applicable discretionary spending limits. The President signed Public Law 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 (CFCAA), on December 16, 2014, and OMB completed its scoring estimates of that Act and re-

leased its Seven-Day-After Report<sup>1</sup> detailing those estimates on December 29, 2014, in accordance with the requirements of section 251(a)(7) of BBEDCA.

This final sequestration report provides OMB's current estimates of the discretionary spending limits for each category in BBEDCA, a summary of OMB's scoring of the enacted and continuing 2015 discretionary appropriations compared to those limits, and comparisons of OMB's estimated limits with those provided by the Congressional Budget Office in its *Final Sequestration Report for Fiscal Year 2015*. As required, OMB's scoring estimates rely on the same economic and technical assumptions used in the President's 2015 Budget, which the President transmitted to the Congress on March 4, 2014. This report covers appropriations legislation enacted through December 29, 2014, and indicates that no sequestration of discretionary budget authority is required.

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<sup>1</sup> OMB's "Seven-Day-After Reports" can be found on OMB's website: [http://www.whitehouse.gov/omb/legislative\\_reports/BEA\\_reports](http://www.whitehouse.gov/omb/legislative_reports/BEA_reports).





## II. DISCRETIONARY FINAL SEQUESTRATION REPORT

BBEDCA requires OMB to issue reports containing OMB's scoring of individual appropriations bills within seven business days of their enactment and, three times a year, on the overall status of discretionary legislation against the current law discretionary spending limits. Any enacted discretionary appropriations that OMB estimates to exceed the discretionary spending limits trigger an across-the-board reduction (i.e., sequestration) to eliminate the excess funding. This report meets the requirement for OMB to issue a final sequestration report for 2015, including a final estimate of the adjustment to the discretionary spending limits as a result of disaster funding. As BBEDCA requires, the estimates rely on the same economic and technical assumptions used in the President's 2015 Budget, which the President transmitted to the Congress on March 4, 2014.

Discretionary programs are funded annually through the appropriations process. BBEDCA sets limits (or "caps") on the amount of new budget authority available for discretionary programs each year through 2021 but it does not require that the Congress appropriate the full amount available under the discretionary limits. For 2012 and 2013, BBEDCA originally specified separate "security" and "nonsecurity" categories<sup>2</sup> for discretionary programs and then a single "discretionary" category for each year after 2013. These caps were subsequently revised pursuant to section 302 of the BCA as a result of the Joint Select Committee on Deficit Reduction's failure to propose, and the Congress' failure to enact, legislation to reduce the deficit by more than \$1.2 trillion by January 15, 2012. The revised security ("defense") category included only the discretionary programs in the national defense budget function (050), which mainly consists of the Department of Defense and significant portions of agency budgets for the Department of Energy (including the National Nuclear Security Administration) and the Federal Bureau of Investigation. The revised nonsecurity ("non-defense") category contained all discretionary programs not in the defense category—essentially all non-defense (or non-050) budget functions. Although the ATRA reinstated the security and nonsecurity

categories for 2013, the defense and non-defense categories were left in place for 2014 through 2021 and were reflected in the BBA.

In OMB's 2014 preview report<sup>3</sup>, the 2014 caps were reduced pursuant to section 251A of BBEDCA to incorporate the portion of Joint Committee reductions allocated to discretionary spending. The defense cap was reduced by \$53.9 billion and the non-defense cap was reduced by \$36.6 billion. The BBA restored \$22.4 billion each (\$44.8 billion in total) to the 2014 defense and non-defense categories and replaced the reductions for 2015 that would have taken place with smaller reductions of \$44.7 billion to the defense cap and \$27.6 billion to the non-defense cap. No further changes are made to the base 2015 caps in this report and, in the absence of further congressional action, section 251A of BBEDCA requires reductions to the current discretionary caps for 2016 through 2021. The precise amount of those reductions is not known at this time and will depend on the relative size of sequestrable mandatory outlays in the baseline in future Budgets. Since these reductions are both unknown and not required at this time, they are not reflected in the caps shown in this report.

OMB is required by law to report on the current discretionary caps in this report. Table 1 summarizes the original caps enacted in BCA and all changes to date that have been made to those caps. Table 2 shows the current law caps along with adjustments to the caps for 2015, which are discussed in the next section.

### Adjustments to discretionary limits.

Table 2 shows how adjustments pursuant to section 251(b) of BBEDCA affect the discretionary limits for 2015. Section 251(b)(1) allows adjustments for concepts and definitions in OMB's Sequestration Preview Report, which is transmitted with the President's Budget, and section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. In addition, section 7 of the CFCAA re-

<sup>2</sup> For more information on the structure of the original security and nonsecurity categories, see any of OMB's sequestration reports to the President and Congress for fiscal years 2012 through 2014, which are available at: [http://www.whitehouse.gov/omb/legislative\\_reports/sequestration](http://www.whitehouse.gov/omb/legislative_reports/sequestration).

<sup>3</sup> See "OMB Sequestration Preview Report to the President and Congress for Fiscal Year 2014 and OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2014 (Corrected Version)" on OMB's website for more information: [http://www.whitehouse.gov/omb/legislative\\_reports/sequestration](http://www.whitehouse.gov/omb/legislative_reports/sequestration).

**Table 1. OVERVIEW OF CHANGES TO DISCRETIONARY SPENDING LIMITS**

(Discretionary budget authority in billions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Original limits set in Title I of the Budget Control Act of 2011:</b>										
Security Category .....	684.0	686.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	359.0	361.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Discretionary Category .....	N/A	N/A	1,066.0	1,086.0	1,107.0	1,131.0	1,156.0	1,182.0	1,208.0	1,234.0
Redefinition of limits pursuant to section 251A of BBEDCA:										
Security Category .....	.....	-686.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	.....	-361.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Discretionary Category .....	N/A	N/A	-1,066.0	-1,086.0	-1,107.0	-1,131.0	-1,156.0	-1,182.0	-1,208.0	-1,234.0
Defense Category .....	N/A	+546.0	+556.0	+566.0	+577.0	+590.0	+603.0	+616.0	+630.0	+644.0
Non-Defense Category .....	N/A	+501.0	+510.0	+520.0	+530.0	+541.0	+553.0	+566.0	+578.0	+590.0
Adjustments pursuant to section 901(d) of ATRA:										
Security Category .....	.....	+684.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	.....	+359.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Defense Category .....	N/A	-546.0	-4.0	.....	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	-501.0	-4.0	.....	.....	.....	.....	.....	.....	.....
Joint Select Committee on Deficit Reduction Enforcement:										
Defense Category .....	N/A	N/A	-53.9	.....	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	N/A	-36.6	.....	.....	.....	.....	.....	.....	.....
Adjustments pursuant to section 101(a) of BBA:										
Defense Category .....	N/A	N/A	+22.4	-44.7	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	N/A	+22.4	-27.6	.....	.....	.....	.....	.....	.....
Enacted adjustments pursuant to section 251(b)(2) of BBEDCA:										
OCO/GWOT:										
Security Category .....	+126.5	+98.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Defense Category .....	N/A	N/A	+85.4	+64.5	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	N/A	+6.5	+9.3	.....	.....	.....	.....	.....	.....
Emergency Requirements:										
Security Category .....	.....	+7.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	.....	+34.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Defense Category .....	N/A	N/A	+0.2	+0.1	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	N/A	.....	+5.3	.....	.....	.....	.....	.....	.....
Program Integrity:										
Nonsecurity Category .....	+0.5	+0.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Defense Category .....	N/A	N/A	+0.9	+1.5	.....	.....	.....	.....	.....	.....
Disaster Relief :										
Security Category .....	+6.4	+11.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	+4.1	.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Defense Category .....	N/A	N/A	+5.6	+5.7	.....	.....	.....	.....	.....	.....
Technical adjustments for scoring differences with CBO (permitted under section 7 of Public Laws 113-76 and 113-235):										
Defense Category .....	N/A	N/A	+0.2	+0.0	.....	.....	.....	.....	.....	.....
Non-Defense Category .....	N/A	N/A	.....	.....	.....	.....	.....	.....	.....	.....
<b>Revised Limits Included in the OMB Final Sequestration Report:</b>										
Security Category .....	816.9	801.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category .....	363.5	394.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Discretionary Category .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Defense Category .....	N/A	N/A	606.3	585.9	577.0	590.0	603.0	616.0	630.0	644.0
Non-Defense Category .....	N/A	N/A	504.8	514.1	530.0	541.0	553.0	566.0	578.0	590.0

N/A = Not Applicable

**Table 2. DISCRETIONARY SPENDING LIMITS**  
(Discretionary budget authority in millions of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021
<b>DEFENSE (OR "REVISED SECURITY") CATEGORY</b>								
Preview Report Spending Limit .....	606,065	521,272	577,000	590,000	603,000	616,000	630,000	644,000
Adjustments in the Update Report:								
Emergency Requirements .....	+225	.....	.....	.....	.....	.....	.....	.....
Update Report Spending Limit .....	606,290	521,272	577,000	590,000	603,000	616,000	630,000	644,000
Adjustments for the Final Sequestration Report:								
Emergency Requirements .....	.....	+112	.....	.....	.....	.....	.....	.....
Overseas Contingency Operations/Global War on Terrorism .....	.....	+64,452	.....	.....	.....	.....	.....	.....
Technical allowance for estimating differences with CBO .....	.....	+34	.....	.....	.....	.....	.....	.....
Subtotal, Defense Category Adjustments .....	.....	+64,598	.....	.....	.....	.....	.....	.....
Final Sequestration Report Spending Limit .....	606,290	585,870	577,000	590,000	603,000	616,000	630,000	644,000
<b>NON-DEFENSE (OR "REVISED NONSECURITY") CATEGORY</b>								
Preview Report Spending Limit .....	504,841	492,356	530,000	541,000	553,000	566,000	578,000	590,000
Adjustments in the Update Report:								
No Adjustments								
Update Report Spending Limit .....	504,841	492,356	530,000	541,000	553,000	566,000	578,000	590,000
Adjustments for the Final Sequestration Report:								
Emergency Requirements .....	.....	+5,293	.....	.....	.....	.....	.....	.....
Overseas Contingency Operations/Global War on Terrorism .....	.....	+9,257	.....	.....	.....	.....	.....	.....
CDRs and Redeterminations .....	.....	+1,123	.....	.....	.....	.....	.....	.....
Health Care Fraud and Abuse Control .....	.....	+361	.....	.....	.....	.....	.....	.....
Disaster Relief .....	.....	+5,717	.....	.....	.....	.....	.....	.....
Subtotal, Non-Defense Category Adjustments .....	.....	+21,751	.....	.....	.....	.....	.....	.....
Final Sequestration Report Spending Limit .....	504,841	514,107	530,000	541,000	553,000	566,000	578,000	590,000
<b>TOTAL DISCRETIONARY SPENDING</b>								
Preview Report, Total Discretionary Spending .....	1,110,906	1,013,628	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Update Report, Total Discretionary Spending .....	1,111,131	1,013,628	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Final Sequestration Report, Total Discretionary Spending .....	1,111,131	1,099,977	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000

N/A = Not Applicable

quires an adjustment for OMB estimating differences with the Congressional Budget Office (CBO) for 2015 if OMB estimates that new budget authority exceeds the discretionary spending limit for any category set forth in section 251(c) of BBEDCA. With most full-year appropriations for 2015 enacted along with estimates of continuing appropriations as of the end of this congressional session, the following adjustments are now made to the 2015 defense and non-defense caps in Table 2:

*Emergency Requirement and Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) Appropriations.*—These adjustments are authorized in section 251(b)(2)(A) of BBEDCA and include funding for amounts that the Congress designates in law as being either an emergency requirement or for OCO/GWOT activities on an account-by-account basis and that the President subsequently so designates. The CFCAA provided a total of \$5,405 million as emergency requirements for response and preparedness efforts re-

lated to the outbreak of the Ebola virus in West Africa. The component amounts appropriated are as follows:

- \$25 million in non-defense funds provided in the 2015 Agriculture and Rural Development Appropriations Act (Division A of CFCAA);
- \$112 million in defense funds provided in the 2015 Department of Defense Appropriations Act (Division C of CFCAA);
- \$2,742 million in non-defense funds provided in the 2015 Labor, Health and Human Services (HHS), and Education Appropriations Act (Division G of CFCAA); and
- \$2,526 million in non-defense funds provided in the Department of State, Foreign Operations, and Related Programs Appropriations Act (Division J of CFCAA).

The CFCAA provided a total of \$73,482 million (including rescissions) for OCO/GWOT purposes for 2015. The component amounts appropriated are as follows:

- \$64,004 million in defense funds provided in the 2015 Department of Defense Appropriations Act (Division C of CFCAA);
- \$221 million in defense funds provided in the 2015 Military Construction and Veterans Affairs Appropriations Act (Division I of CFCAA); and
- \$9,257 million in non-defense funds provided in the 2015 Department of State, Foreign Operations, and Related Programs Appropriations Act (Division J of CFCAA).

Finally, Division L of CFCAA extended through February 27, 2015 continuing appropriations provided in Public Law 113-164, the Continuing Appropriations Resolution, 2015 (the “short-term CR”) for the Department of Homeland Security. These continuing appropriations include \$227 million in defense funds that are also for OCO/GWOT purposes.

The combined adjustment for each of these amounts increases the defense category by \$64,564 million (split between \$112 million for emergency requirements and \$64,452 million for OCO/GWOT activities) and the non-defense category by \$14,550 million (split between \$5,293 million for emergency requirements and \$9,257 million for OCO/GWOT activities).

The Congress in the CFCAA designated these amounts as emergency requirements or for OCO/GWOT activities, as appropriate, and the President transmitted to the Congress his separate designations of these amounts as emergency requirements or as OCO/GWOT activities, as appropriate, on December 16, 2014. Further, the Congress designated the continuing OCO/GWOT appropriations in the short-term CR and the President transmitted to the Congress his designations of these amounts as OCO/GWOT on September 19, 2014. Presidential designations of emergency requirements and OCO/GWOT amounts can be found on OMB’s website: [http://www.whitehouse.gov/omb/budget\\_amendments](http://www.whitehouse.gov/omb/budget_amendments).

*Continuing Disability Reviews (CDRs) and Redeterminations.*—Section 251(b)(2)(B) of BBEDCA authorizes adjustment of the caps by the amounts appropriated for CDRs and redeterminations. CDRs are periodic reevaluations conducted to determine if recipients of Social Security disability insurance benefits and Supplemental Security Income (SSI) for persons with disabilities remain eligible based on their disability and related factors. Redeterminations are periodic reviews of non-medical factors of eligibility, such as income and resources, for the means-tested SSI program, and generally result in a revision of the individual’s benefit level. The maximum cap adjustment in each year is limited to the levels of budget authority specified in BBEDCA, provided that a base level of \$273 million is provided for these purposes in the underlying appropriations bill. Appropriations in the 2015 Labor, HHS, and Education Appropriations Act in Division G of the CFCAA provided a base level of \$273 million and \$1,123 million as a cap adjustment for these purposes—the maximum allowable adjustment specified for 2015 in BBEDCA. This adjustment is allocated entirely to the non-defense category.

*Health Care Fraud and Abuse Control (HCFAC).*—Section 251(b)(2)(C) of BBEDCA authorizes adjustments to the caps by amounts appropriated for HCFAC activities, which include efforts to reduce the Medicare improper payment rate and strengthen the Health Care Fraud Prevention and Enforcement Action Team initiative. The maximum HCFAC cap adjustment in each year is limited to the levels of budget authority specified in BBEDCA, provided that a base level of \$311 million for these purposes is provided in

the underlying appropriations bill. Appropriations in the 2015 Labor, HHS, and Education Appropriations Act in Division G of the CFCAA provided a base level of \$311 million and \$361 million as a cap adjustment for these purposes—the maximum allowable adjustment specified for 2015 in BBEDCA. This adjustment is allocated entirely to the non-defense category. This marks the first time since reinstatement of the caps that the Congress has provided the full base and cap adjustment funding for this program. As noted in OMB’s 2014 final, 2015 preview, and 2015 update sequestration reports, funding program integrity activities achieves additional estimated gross deficit savings. By fully funding these activities at the authorized BBEDCA levels in 2015, the Congress has taken the opportunity to achieve deficit savings of approximately \$1 billion.

*Adjustments for Disaster Funding.*—Section 251(b)(2)(D) of BBEDCA authorizes an adjustment to the caps for appropriations that are designated by the Congress as being for disaster relief. BBEDCA sets a limit for the adjustment equal to the total of the average funding provided for disaster relief over the previous 10 years (excluding the highest and lowest years) plus any portion of the allowable adjustment (funding ceiling) for the previous year that was not appropriated. “Disaster relief” is defined as activities carried out pursuant to a determination under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. 5122(2)).

Section 103(2) of the BCA requires OMB to include in its August update report a preview estimate of the adjustment for disaster funding for the upcoming fiscal year. As required by law, OMB included in its Sequestration Update Report for 2015, released on August 20, 2014, a preview estimate of the 2015 adjustment for disaster relief. The ceiling for the disaster relief adjustment in 2015 was calculated to be \$18,430 million. The Congress has provided \$5,626 million in continuing appropriations in 2015 that are designated for disaster relief in the Federal Emergency Management Agency’s Disaster Relief Fund (DRF) in the 2015 short-term CR, which was extended through February 27, 2015 by Division L of the CFCAA. Further, the CFCAA provided an additional \$91 million in disaster relief funding for the Department of Agriculture’s Emergency Forest Restoration Program,

Emergency Conservation Program, and Watershed and Flood Prevention Operations accounts in the 2015 Agriculture and Rural Development Appropriations Act (Division A). Accordingly, Table 2 allocates this combined adjustment of \$5,717 million entirely to the non-defense category. The amounts enacted as full-year or continuing appropriations for disaster relief in 2015 are \$12,713 million below the preview adjustment estimate of \$18,430 million. However, pursuant to section 251(b)(2)(D)(i)(II) of BBEDCA, any unused carryover from 2014 cannot carry forward into the calculation of the 2016 preview estimate. As a result, only \$6,196 million of this total underage will carry forward into the calculation of the 2016 preview adjustment in OMB’s August 2015 Sequestration Update Report for Fiscal Year 2016 if no further appropriations are enacted in 2015 that are designated for disaster relief, and if the current continuing appropriation remains unchanged when final appropriations for the Department of Homeland Security are completed.

*Technical Allowance for Estimating Differences.*—This allowance, specified in section 7 of the CFCAA, requires OMB to adjust the spending limit for any category in 2015 when new budget authority provided in an appropriations Act exceeds such discretionary spending limit due to estimating differences with CBO. The adjustment is equal to the amount of the excess in a category but the total of all such adjustments for any category cannot exceed 0.2 percent of the sum of the adjusted discretionary caps for all categories for that fiscal year. When total enacted discretionary appropriations that are detailed in the 2015 Seven-Day-After Report are combined with OMB’s estimate of continuing appropriations for programs in the Department of Homeland Security, OMB has an estimating difference of \$34 million with CBO for appropriations provided under the defense category for 2015, which would cause OMB estimates to exceed the defense cap. With the adjustments included above, OMB estimates that the adjusted defense and non-defense caps for 2015 total \$1,099.943 billion, which permits a maximum technical adjustment for 2015 of \$2.199 billion. Since the \$34 million is within the maximum allowable technical adjustment for 2015, the defense cap is adjusted upward by \$34 million, and total enacted and continuing appropriations do not exceed the adjusted defense cap.

**Table 3. STATUS OF 2014  
DISCRETIONARY APPROPRIATIONS**

(In millions of dollars)

	BA	Outlays
<b>Defense Category</b>		
Adjusted discretionary spending limit .....	606,290	N/A
Total enacted appropriations .....	606,290	584,104
Spending over (+)/under (-) limit .....	.....	N/A
<b>Non-Defense Category</b>		
Adjusted discretionary spending limit .....	504,841	N/A
Total enacted appropriations .....	502,833	611,910
Spending over (+)/under (-) limit .....	-2,008	N/A
<b>Total Discretionary Spending—All Categories</b>		
Adjusted discretionary spending limits .....	1,111,131	N/A
Total enacted appropriations .....	1,109,123	1,196,014
Spending over (+)/under (-) limits .....	-2,008	N/A

#### **Summary of current year (FY 2014) discretionary appropriations.**

Section 254(f)(2) of BBEDCA requires the final sequestration report to summarize the status of enacted “current year” discretionary appropriations, relative to the discretionary caps. Table 3 summarizes the status of enacted 2014 discretionary appropriations, relative to the discretionary caps for 2014. The caps include all adjustments made to 2014 in the 2014 final sequestration report and the 2015 sequestration update report. An adjustment was made in the update report for enactment of the 2014 Emergency Supplemental Appropriations Resolution for Iron Dome. No further supplemental appropriations with an impact on budget authority were enacted in 2014, therefore, the scoring for enacted budget authority for both categories for 2014 remains within the specified cap levels.

#### **Summary of enacted and continuing budget year (FY 2015) discretionary appropriations.**

Section 254(f)(2) of BBEDCA requires the final sequestration report to summarize the status of enacted “budget year” discretionary appropriations, relative to the discretionary caps. Table 4 summarizes OMB scoring of the fiscal year 2015 appropriations bills as measured against the 2015 caps, including OMB’s estimates for continuing appropriations in the

Department of Homeland Security Appropriations bill. OMB estimates that discretionary appropriations are at the defense cap while non-defense appropriations are nearly \$3.7 billion below the budget authority limits set in BBEDCA. As a result, OMB estimates that sequestration will not be required for either of the discretionary categories.

#### **Comparison of OMB and CBO discretionary limits.**

Section 254(f)(4) of BBEDCA requires this report to include an explanation of the differences between OMB and CBO estimates for the discretionary caps. Table 5 compares OMB and CBO limits for fiscal years 2015 through 2021. For 2015, both OMB and CBO include the defense and non-defense caps enacted in the BBA and make adjustments to the caps pursuant to section 251(b)(2) of BBEDCA. However, CBO’s estimate of the defense cap is \$38 million lower than OMB’s estimate. Of this amount, \$34 million is due to OMB’s adjustment for technical estimating differences, which is required by section 7 of the CFCAA, and another \$4 million is due to rounding differences in the OCO/GWOT adjustment under section 251(b)(2)(A) of BBEDCA. For the 2015 non-defense cap, OMB and CBO have a \$1 million difference, which is also attributable to a rounding difference in the OCO/GWOT adjustment under section 251(b)(2)(A) of BBEDCA. For the 2016 through

**Table 4. SUMMARY OF 2015 APPROPRIATIONS ACTION<sup>1</sup>**

(Discretionary budget authority and outlays in millions of dollars)

	BA	Outlays
<b>DEFENSE CATEGORY</b>		
Defense Appropriations:		
Commerce, Justice, Science, and Related Agencies .....	5,052	5,893
Defense .....	554,148	557,042
Energy and Water Development .....	17,846	19,198
Financial Services and General Government .....	31	29
Homeland Security <sup>2</sup> .....	1,827	1,813
Military Construction and Veterans Affairs .....	6,780	11,765
Transportation and Housing and Urban Development .....	186	251
Total, Defense Appropriations .....	585,870	595,991
Final Sequestration Report Defense Category Limit .....	585,870	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT .....	.....	N/A
<b>NON-DEFENSE CATEGORY</b>		
Non-Defense Appropriations:		
Agriculture and Rural Development .....	20,541	21,588
Commerce, Justice, Science, and Related Agencies .....	46,012	52,474
Defense .....	162	160
Energy and Water Development .....	16,327	22,442
Financial Services and General Government .....	21,786	23,517
Homeland Security <sup>2</sup> .....	43,380	46,529
Interior and Environment .....	30,409	31,919
Labor, HHS, and Education .....	161,018	169,760
Legislative Branch .....	4,299	4,322
Military Construction and Veterans Affairs .....	65,249	64,972
State and Foreign Operations .....	51,909	52,851
Transportation and Housing and Urban Development .....	49,333	118,190
Total, Non-Defense Appropriations .....	510,425	608,724
Final Sequestration Report Non-Defense Category Limit .....	514,107	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT .....	-3,682	N/A
<b>TOTAL DISCRETIONARY</b>		
Total, Discretionary .....	1,096,295	1,204,715
Final Sequestration Report Total Category Limits .....	1,099,977	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) TOTAL OF LIMITS .....	-3,682	N/A

<sup>1</sup> OMB scoring includes funds provided in each bill that have been designated as being for Overseas Contingency Operations/Global War on Terrorism, Emergency Requirements, Disaster Relief, or Program Integrity.

<sup>2</sup> OMB scoring for the Homeland Security bill reflects continuing (not full-year) appropriations as the programs in this bill are operating under a rate for operation set in Public Law 113-164, the Continuing Appropriations Resolution, 2015. Division L of Public Law 113-235, the Consolidated and Further Continuing Appropriations Act, 2015 extended continuing appropriations for the programs in this bill until February 27, 2015.

2021 caps, CBO begins with the same levels as OMB for the defense and non-defense caps. However, CBO includes approximate adjustments to account for the automatic enforcement procedures in section 251A of BBEDCA. As noted previously, OMB does not include these reductions to the revised limits because they are not required in this report and the actual adjustments will depend on the estimate of sequestrable mandatory outlays in the baselines of the Budgets that are specific to those years.

Although OMB and CBO have very similar estimates of the 2015 caps, differences do exist in the amount of enacted 2015 discretionary budget authority that is scored against the caps. Detailed explanations of the differences in enacted, full-year discretionary budget authority and outlays are available in the separate seven-day-after reports that were issued subsequent to enactment of each discretionary appropriations Act (see these “Seven-Day-After Reports” on OMB’s website: [http://www.whitehouse.gov/omb/legislative\\_reports/BEA\\_reports](http://www.whitehouse.gov/omb/legislative_reports/BEA_reports)).

**Table 5. COMPARISON OF OMB AND CBO  
DISCRETIONARY SPENDING LIMITS**

(Discretionary budget authority in millions of dollars)

	2015	2016	2017	2018	2019	2020	2021
<b>DEFENSE CATEGORY</b>							
CBO Final Report Limit .....	585,832	523,067	536,067	549,071	562,079	576,087	590,096
OMB Final Report Limit .....	585,870	577,000	590,000	603,000	616,000	630,000	644,000
Difference +/- .....	+38	+53,933	+53,933	+53,929	+53,921	+53,913	+53,904
<b>NON-DEFENSE CATEGORY</b>							
CBO Final Report Limit .....	514,108	492,987	503,736	515,665	529,701	542,928	555,209
OMB Final Report Limit .....	514,107	530,000	541,000	553,000	566,000	578,000	590,000
Difference +/- .....	-1	+37,013	+37,264	+37,335	+36,299	+35,072	+34,791
<b>TOTAL DISCRETIONARY SPENDING LIMITS</b>							
CBO Final Report, Total Discretionary .....	1,099,940	1,016,054	1,039,803	1,064,736	1,091,780	1,119,015	1,145,305
OMB Final Report, Total Discretionary .....	1,099,977	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Difference +/- .....	+37	+90,946	+91,197	+91,264	+90,220	+88,985	+88,695

N/A = Not Applicable