



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

THE DIRECTOR

October 11, 2016

The Honorable Paul D. Ryan
Speaker of the House of Representatives
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Section 251(a)(7) of the Balanced Budget and Emergency Deficit Control Act of 1985 requires that the Office of Management and Budget (OMB) submit a report to the Congress on discretionary appropriations legislation within seven calendar days of enactment (excluding Saturdays, Sundays, and legal holidays). The report must contain the OMB and Congressional Budget Office (CBO) estimates of discretionary new budget authority provided by the legislation and an explanation of any differences between the two estimates.

Enclosed is the report for the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223). The President signed this Act into law on September 29, 2016. The enclosed report includes separate appropriations reports on each of the following divisions contained in this Act:

1. Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2017 (Division A) – Table 1, page 1;
2. Zika Response and Preparedness Appropriations Act, 2016 (Division B) – Table 2, page 3;
3. Continuing Appropriations Act, 2017 (Division C) – Table 3, page 5; and
4. Rescissions of Funds (Division D) – Table 4, page 6.

The amounts shown in the report reflect OMB scoring for supplemental appropriations provided for FY 2016 and full-year appropriations provided for FY 2017. The report does not include estimates of continuing appropriations for FY 2017 provided in Division C of this Act.

In addition, the enactment of \$500 million for FY 2016 designated as Disaster Relief in Division C of the Act will necessitate a change to the preview estimate for disaster relief that was included in the *OMB Sequestration Update Report to the President and Congress for Fiscal Year 2017* that was released on August 19, 2016. That report stated that the ceiling for the disaster relief adjustment in FY 2017 would be \$8,566 million but noted this level would change if supplemental appropriations were enacted before the end of FY 2016. The ceiling is determined through a formula in section 251(b)(2)(D) of BBEDCA that determines the average for the previous ten years (less the highest and lowest years) and adds any unused portion for the ceiling (or “carryover”) from the previous year. The additional \$500 million in FY 2016 has the effect of increasing the 10-year average slightly for the ceiling but reduces the carryover to yield a disaster relief ceiling for FY 2017 of \$8,129 million. OMB will formally make this change in its final sequestration report for FY 2017 that is due after the end of this Congressional session.

Sincerely,



Shaun Donovan
Director

Enclosure

Identical Letter Sent to The Honorable Joseph R. Biden, Jr.

Table 1.
CBO Estimates Compared to OMB Estimates for Division A of Public Law 114-223
Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2017
(in millions of dollars)

	2017 Enacted Budget Authority
<u>DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>	
<i>Defense Category-Base Discretionary Appropriations</i>	
CBO ESTIMATE, DEFENSE CATEGORY - BASE DISCRETIONARY APPROPRIATIONS ¹	7,726
<u>Scorekeeping Differences:</u>	
CBO Rounding Adjustment.....	-1
CBO uses this account to reconcile the CBO total (tracked in millions) for the bill with the Appropriations Subcommittee's Comparative Statement of Budget Authority (CSBA) total (tracked in thousands). OMB scoring does not include a reconciliation with the CSBA.	
OMB ESTIMATE, DEFENSE CATEGORY - BASE DISCRETIONARY APPROPRIATIONS	7,725
<i>Defense Category-Overseas Contingency Operations Discretionary Appropriations</i>	
CBO ESTIMATE, DEFENSE CATEGORY - OCO DISCRETIONARY APPROPRIATIONS ¹	172
NO BUDGET AUTHORITY DIFFERENCES	
OMB ESTIMATE, DEFENSE CATEGORY - OCO DISCRETIONARY APPROPRIATIONS	172
<u>NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>	
<i>Non-Defense Category-Base Discretionary Appropriations</i>	
CBO ESTIMATE, NON-DEFENSE CATEGORY - BASE APPROPRIATIONS¹	74,600
<u>Scorekeeping Differences:</u>	
Department of Veterans Affairs:	
CBO Rounding Adjustment.....	-2
CBO uses this account to reconcile the CBO total (tracked in millions) for the bill with the Appropriations Subcommittee's Comparative Statement of Budget Authority (CSBA) total (tracked in thousands). OMB scoring does not include a reconciliation with the CSBA.	
OMB ESTIMATE, NON-DEFENSE CATEGORY - BASE APPROPRIATIONS	74,598

Table 1.
CBO Estimates Compared to OMB Estimates for Division A of Public Law 114-223
Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2017
(in millions of dollars)

	2017 Enacted
	Budget Authority

SUMMARY

CBO TOTAL, MILITARY CONSTRUCTION AND VETERANS AFFAIRS APPROPRIATIONS ¹	82,498
<i>CBO Defense Category Subtotal</i>	7,726
<i>CBO Defense Category OCO Subtotal</i>	172
<i>CBO Non-Defense Category Subtotal</i>	74,600
TOTAL DIFFERENCES	-3
<i>Defense Category Differences</i>	-1
<i>Defense Category OCO Differences</i>	--
<i>Non-Defense Category Differences</i>	-2
OMB TOTAL, MILITARY CONSTRUCTION AND VETERANS AFFAIRS APPROPRIATIONS	82,495
<i>OMB Defense Category Subtotal</i>	7,725
<i>OMB Defense Category OCO Subtotal</i>	172
<i>OMB Non-Defense Category Subtotal</i>	74,598

¹ CBO data was received by OMB on September 23, 2016.

Table 2.
CBO Estimates Compared to OMB Estimates for Division B of Public Law 114-223
Zika Response and Preparedness Appropriations Act, 2016
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017
<u>NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>		
<i>Non-Defense Category - Emergency Requirement Supplemental Appropriations</i>		
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY APPROPRIATIONS ¹	1,108	---
<u>Scorekeeping Differences:</u>		
Department of Health and Human Services:		
Departmental Management:		
Public Health and Social Services Emergency Fund (PHSSEF).....	+1	---
The +\$1 million budget authority difference is due to CBO scoring a transfer of \$500,000 (rounded up to \$1 million) out of this account into the GAO Salaries and Expenses account. As noted in the GAO explanation below, OMB does not score this as a budget authority transfer.		
Legislative Branch:		
Government Accountability Office (GAO):		
Salaries and Expenses.....	-1	---
CBO scores a total of \$1 million in transfers coming into this account with \$500,000 from the HHS PHSSEF account (pursuant to sec. 104(2) of Title I) and another \$500,000 from the State Global Health Programs account (pursuant to sec. 204(2) of Title II). OMB does not score these as budget authority or "non-expenditure" transfers for largely accounting reasons, as the legislative language states that these funds "shall be made available" to the Comptroller General, which OMB interprets as permitting the funds to be either paid and received as an offsetting collection into this account or recorded as balance or "expenditure" transfers. Either transaction means that the funds would not be displayed as a transfer of budget authority in the accounting.		
CBO Rounding Adjustment	+1	---
CBO uses this account to reconcile the CBO bill total (tracked in millions) with the Appropriations Committee's Comparative Statement of Budget Authority (CSBA) total (tracked in thousands). OMB scoring does not include such a reconciliation with the CSBA.		
TOTAL DIFFERENCES	+1	---
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY APPROPRIATIONS	1,109	---

**CBO Estimates Compared to OMB Estimates for Division B of Public Law 114-223
Zika Response and Preparedness Appropriations Act, 2016**
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017

NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS

SUMMARY

CBO TOTAL, EMERGENCY ZIKA RESPONSE SUPPLEMENTAL ¹	1,108	---
<i>CBO Defense Category Subtotal</i>	---	---
<i>CBO Non-Defense Category Emergency Subtotal</i>	<i>1,108</i>	---
TOTAL DIFFERENCES	+1	---
<i>Defense Category Differences</i>	---	---
<i>Non-Defense Category Emergency Differences</i>	<i>+1</i>	---
OMB TOTAL, EMERGENCY ZIKA RESPONSE SUPPLEMENTAL	1,109	---
<i>OMB Defense Category Subtotal</i>	---	---
<i>OMB Non-Defense Category Emergency Subtotal</i>	<i>1,109</i>	---

¹ CBO data received by OMB on September 23, 2016.

Table 3.
CBO Estimates Compared to OMB Estimates for Division C of Public Law 114-223
Continuing Appropriations Act, 2017
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017
<u>NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>		
<i>Non-Defense Category - Disaster Relief Appropriations</i>		
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY DISASTER RELIEF APPROPRIATIONS ¹	500	---
NO BUDGET AUTHORITY DIFFERENCES		
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY DISASTER RELIEF APPROPRIATIONS	500	---
<i>Non-Defense Category - Emergency Requirement Appropriations</i>		
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY APPROPRIATIONS ¹	---	---
<i>Transfer from HUD Office of Community Planning and Development</i>	-5	---
<i>Transfer to HUD Program Office Salaries and Expenses, Community Planning and Development</i>	+5	---
NO BUDGET AUTHORITY DIFFERENCES		
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY APPROPRIATIONS	---	---
<i>Transfer from HUD Office of Community Planning and Development</i>	-5	---
<i>Transfer to HUD Program Office Salaries and Expenses, Community Planning and Development</i>	+5	---
<u>SUMMARY</u>		
CBO TOTAL, CONTINUING APPROPRIATIONS ACT SUPPLEMENTAL FUNDS ¹	500	---
<i>CBO Defense Category Subtotal</i>	---	---
<i>CBO Non-Defense Category Disaster Relief Subtotal</i>	500	---
<i>CBO Non-Defense Category Emergency Subtotal</i>	---	---
TOTAL DIFFERENCES	---	---
<i>Defense Category Differences</i>	---	---
<i>Non-Defense Category Disaster Relief Differences</i>	---	---
<i>Non-Defense Category Emergency Differences</i>	---	---
OMB TOTAL, CONTINUING APPROPRIATIONS ACT SUPPLEMENTAL FUNDS	500	---
<i>OMB Defense Category Subtotal</i>	---	---
<i>OMB Non-Defense Category Disaster Relief Subtotal</i>	500	---
<i>OMB Non-Defense Category Emergency Subtotal</i>	---	---

¹ CBO data received by OMB on September 23, 2016.

Table 4.
CBO Estimates Compared to OMB Estimates for Division D of Public Law 114-223
Rescissions of Funds
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017
<u>NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>		
<i>Non-Defense Category - Emergency Requirement Rescissions</i>		
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY RESCISSIONS ¹	-232	---
Scorekeeping Differences:		
CBO Rounding Adjustment	+1	---
CBO uses this account to reconcile the CBO bill total (tracked in millions) with the Appropriations Committee's Comparative Statement of Budget Authority (CSBA) total (tracked in thousands). OMB scoring does not include such a reconciliation with the CSBA.		
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY EMERGENCY RESCISSIONS	-231	---
<i>Non-Defense Category - Regular (Non-Emergency) Change in a Mandatory Program (CHIMP)</i>		
CBO ESTIMATE, NON-DEFENSE DISCRETIONARY CHIMP RESCISSION ¹	-168	---
NO BUDGET AUTHORITY DIFFERENCES		
OMB ESTIMATE, NON-DEFENSE DISCRETIONARY CHIMP RESCISSION	-168	---
<u>SUMMARY</u>		
CBO TOTAL, DIVISION D RESCISSIONS OF FUNDS ¹	-400	---
<i>CBO Defense Category Subtotal</i>	---	---
<i>CBO Non-Defense Category Emergency Subtotal</i>	-232	---
<i>CBO Non-Defense Category CHIMP Subtotal</i>	-168	---
TOTAL DIFFERENCES	+1	---
<i>Defense Category Differences</i>	---	---
<i>Non-Defense Category Emergency Differences</i>	+1	---
<i>CBO Non-Defense Category CHIMP Differences</i>	---	---
OMB TOTAL, DIVISION D RESCISSIONS OF FUNDS	-399	---
<i>OMB Defense Category Subtotal</i>	---	---
<i>OMB Non-Defense Category Emergency Subtotal</i>	-231	---
<i>OMB Non-Defense Category CHIMP Subtotal</i>	-168	---

¹ CBO data received by OMB on September 23, 2016.

Table 5.
Enacted Appropriations as of September 30, 2016 ¹
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017
DEFENSE CATEGORY		
Discretionary Spending Limit ²	606,891	551,068
Appropriations previously enacted ²	606,890	---
Newly Enacted Base Defense Appropriations:		
Amounts provided in Division A of Public Law 114-223, the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2017.....	---	7,725
Total, All Previously Enacted and New Base Defense Appropriations.....	606,890	7,725
Defense Appropriations Over (+)/Under (-) spending limit.....	-1	-543,343
NON-DEFENSE CATEGORY		
Discretionary Spending Limit ²	542,982	518,531
Appropriations previously enacted ²	542,982	---
Newly Enacted Base Non-Defense Appropriations:		
Amounts provided in Division A of Public Law 114-223, the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2017.....	---	74,598
Amounts provided in Division D of Public Law 114-223, Rescissions of Funds.....	-168	---
Total, All Previously Enacted and New Base Non-Defense Appropriations.....	542,814	74,598
Non-Defense Appropriations Over (+)/Under (-) spending limit	-168	-443,933
TOTAL DISCRETIONARY APPROPRIATIONS		
Discretionary Spending Limit ²	1,149,873	1,069,599
Appropriations previously enacted ²	1,149,872	---
Newly Enacted Base Appropriations:		
Amounts provided in Division A of Public Law 114-223, the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2017.....	---	82,323
Amounts provided in Division D of Public Law 114-223, Rescissions of Funds.....	-168	---
Total, All Previously Enacted and New Base Discretionary Appropriations.....	1,149,704	82,323
Discretionary Appropriations Over (+)/Under (-) spending limits.....	-169	-987,276

Table 5.
Enacted Appropriations as of September 30, 2016 ¹
(in millions of dollars)

	Enacted Budget Authority	
	FY 2016	FY 2017
New Non-Defense Appropriations designated by the Congress and the President as Emergency Requirements ³		
<i>Amounts provided in Division B of Public Law 114-223, the Zika Response and Preparedness Appropriations Act, 2016.....</i>	1,109	---
<i>Amounts provided in Division C of Public Law 114-223, the Continuing Appropriations Act, 2017 (net zero supplemental amounts).....</i>	---	---
<i>Amounts provided in Division D of Public Law 114-223, Rescissions of Funds.....</i>	-231	---
<i>Total, Non-Defense Appropriations for Emergency Requirements.....</i>	878	---
New Defense Appropriations designated by the Congress and the President for Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) ³		
<i>Amounts provided in Division A of Public Law 114-223, the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2017.....</i>	---	172
New Non-Defense Appropriations designated by the Congress for Disaster Relief ⁴		
<i>Amounts provided in Division C of Public Law 114-223, the Continuing Appropriations Act, 2017</i>	500	---

Notes:

1 Enacted appropriations reflect OMB scoring of amounts in divisions A through D of Public Law 114-223, the Continuing Appropriations and Military Construction and Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act.

2 The FY 2016 and FY 2017 spending limits for the defense (or "revised security") and non-defense (or "revised nonsecurity") categories and for the appropriations previously enacted for FY 2016 are equal to the amounts published in the *OMB Sequestration Update Report to the President and Congress for Fiscal Year 2017* (see OMB's website: https://www.whitehouse.gov/omb/legislative_reports/sequestration).

3 Section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) authorizes an adjustment to the caps for appropriations that are designated by the Congress, and subsequently designated by the President, as emergency requirements or for Overseas Contingency Operations/Global War on Terrorism. Divisions A, B, C, and D of Public Law 114-223 included funding for these activities with the appropriate designations and the President transmitted to the Congress on September 29, 2016 his subsequent designations of all of these amounts. These amounts are summarized here and are not included in the totals displayed above that are counted against the caps. The adjustments to the discretionary limits to reflect this spending are not included in this report but will be included in OMB's Final Sequestration Report for 2017.

4 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. Division C of Public Law 114-223 included funding for these activities in FY 2016 with the appropriate designation. These amounts are summarized here and are not included in the totals displayed above that are counted against the caps. The adjustments to the discretionary limits to reflect this spending are not included in this report but will be included in OMB's Final Sequestration Report for 2017.