



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

March 13, 2015

THE DIRECTOR

The Honorable John A. Boehner
Speaker of the
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, as amended, 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 estimates of discretionary new budget authority and outlays provided by the legislation and an explanation of any differences between the two estimates.

Enclosed is the report for the Department of Homeland Security Appropriations Act, 2015 (Public Law 114-4). The President signed this Act into law on March 4, 2015.

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.

Table 1.
CBO Estimates Compared to OMB Estimates for P.L. 114-4
Department of Homeland Security Appropriations Act, 2015
(in millions of dollars)

	FY 2015 Enacted	
	BA	Outlays
<u>DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>		
<i>Defense Category-Base Discretionary Appropriations</i>		
CBO ESTIMATE, DEFENSE CATEGORY - BASE APPROPRIATIONS ¹	1,600	1,577
<u>Technical Outlay Estimating Differences:</u>		
Department of Homeland Security:		
United States Coast Guard:		
Operating Expenses.....	---	+83
OMB has lower estimates of outlays from new authority (-\$109 million) and higher estimates of outlays from prior-year authority (+\$192 million) than CBO.		
National Protection and Programs Directorate:		
Infrastructure Protection and Information Security.....	---	+42
OMB has higher estimates of outlays from new authority (+\$375 million) and lower estimates of outlays from prior-year authority (-\$333 million) than CBO.		
Federal Emergency Management Agency:		
Salaries and Expenses	---	+2
OMB has higher estimates of outlays from new authority (+\$4 million) and lower estimates of outlays from prior-year authority (-\$2 million) than CBO.		
TOTAL DIFFERENCES	---	+127
OMB ESTIMATE, DEFENSE CATEGORY - BASE APPROPRIATIONS	1,600	1,704
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<i>Defense Category - Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) Appropriations</i>		
CBO ESTIMATE, DEFENSE CATEGORY - OCO/GWOT DISCRETIONARY APPROPRIATIONS ¹	213	170
<u>Technical Outlay Estimating Differences:</u>		
Department of Homeland Security:		
United States Coast Guard:		
Operating Expenses.....	---	-68
OMB has lower estimates of outlays from new authority (-\$68 million) than CBO.		
OMB ESTIMATE, DEFENSE CATEGORY - OCO/GWOT DISCRETIONARY APPROPRIATIONS	213	102

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CBO Estimates Compared to OMB Estimates for P.L. 114-4
Department of Homeland Security Appropriations Act, 2015
(in millions of dollars)

	FY 2015 Enacted	
	BA	Outlays
<u>NON-DEFENSE CATEGORY DISCRETIONARY APPROPRIATIONS</u>		
<i>Non-Defense Category - Changes in Mandatory Programs (CHIMPs)</i>		
CBO ESTIMATE, NON-DEFENSE CATEGORY - CHIMPs ¹	-175	---
Technical Outlay Estimating Differences:		
Treasury Department:		
Treasury Forfeiture Fund.....	---	-88
OMB has lower estimates of outlays from new authority (-\$88 million) than CBO.		
OMB ESTIMATE, NON-DEFENSE CATEGORY - CHIMPs.....	-175	-88
<i>Non-Defense Category - Base Discretionary Appropriations</i>		
CBO ESTIMATE, NON-DEFENSE CATEGORY - BASE APPROPRIATIONS ¹	38,245	43,440
Scorekeeping Differences:		
Department of Homeland Security:		
U.S. Customs and Border Protection:		
Customs and Border Protection.....	+42	+662
Both OMB and CBO score the appropriation of the spending of current law mandatory fee collections from the COBRA Free Trade Agreement as a discretionary cost pursuant to section 559 of the Homeland Security general provisions. OMB estimates -\$180 million in current law fee collections in 2015, resulting in \$180 million in discretionary spending, whereas CBO estimates only -\$138 million. This results in a +\$42 million difference in budget authority. OMB scoring uses a new methodology from the FY 2015 Budget that takes into consideration several years of passenger growth to calculate collections specifically for air passengers arriving from Canada, Mexico and the adjacent islands since collection data is not typically remitted by country of origin. CBO did not similarly adopt this new methodology. In addition, OMB has higher estimates of outlays from new authority (+\$1,247 million; including collections) and lower estimates of outlays from prior-year authority (-\$585 million) than CBO.		

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	FY 2015 Enacted	
	BA	Outlays
Transportation Security Administration:		
Aviation Security.....	-73	+255
<p>CBO assumes current law passenger security fee collections of -\$2,065 million, whereas OMB estimates -\$2,138 million, a difference of -\$73 million. Section 106 of the Bipartisan Budget Act of 2013 (BBA; P.L. 113-67) enacted a new fee structure for these fees. Since 2001, the fee had been charged per passenger enplanement, whereas the BBA directed the fee to be charged as a single per-trip charge. Although CBO and OMB have similar methodologies for converting anticipated enplanements into one-way trips, CBO’s technical assumptions include a lower number of one-way trips than OMB’s estimates and that leads to differences in the current law passenger security fees. CBO also included in their spring baseline calculation a 50 percent probability estimate that TSA would institute a rule to cap the amount of fees eligible to be collected from certain roundtrip itineraries. TSA’s final rule did not include that cap, so CBO adjusted their baseline estimate of fees by \$35 million (from \$2,080 million to \$2,115 million). OMB’s baseline already assumed no cap and made no adjustment. Subsequently, Public Law 113-294 was enacted on December 19, 2014, which legislated the cap on fees. OMB estimates a reduction in fees due to Public Law 113-294 of \$65 million (from -\$2,203 to \$2,138), whereas CBO estimates a corresponding reduction in fees of \$50 million (from -\$2,115 million to -\$2,065). In addition, OMB has higher estimates of outlays from new authority (+\$592 million; including collections) and lower estimates of outlays from prior-year authority (-\$337 million) than CBO.</p>		
Federal Emergency Management Agency:		
Salaries and Expenses.....	+1	+218
<p>The +\$1 million budget authority difference is due to rounding. In addition, OMB has higher estimates of outlays from both new (+\$81 million) and prior-year authority (+\$137 million) than CBO.</p>		
Disaster Relief Fund.....	+95	+2,076
<p>OMB scores a permissive transfer of \$95 million in this account from the Disaster Assistance Direct Loan Program account pursuant to section 567 of the enacted bill while CBO inadvertently did not score this transfer. In addition, OMB has lower estimates of outlays from new authority (-\$51 million) and higher estimates of outlays from prior-year authority (+\$2,127 million) than CBO.</p>		
Disaster Assistance Direct Loan Program.....	-95	-47
<p>OMB scores a permissive transfer of \$95 million from this this account to the Disaster Relief Fund account pursuant to section 567 of the enacted bill while CBO inadvertently did not score this transfer. In addition, OMB has lower estimates of outlays from new authority (-\$48 million) and higher estimates of outlays from prior-year authority (+\$1 million) than CBO.</p>		

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Department of Homeland Security Appropriations Act, 2015
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	FY 2015 Enacted	
	BA	Outlays
United States Coast Guard		
Operating Expenses.....	+1	+12
The +\$1 million budget authority difference is due to rounding. In addition, OMB has lower estimates of outlays from new authority (-\$161 million) and higher estimates of outlays from prior-year authority (+\$173 million) than CBO.		
Reserve Training.....	-1	+3
The -\$1 million budget authority difference is due to rounding. In addition, OMB has higher estimates of outlays from new authority (+\$12 million) and lower estimates of outlays from prior-year authority (-\$9 million) than CBO.		
Acquisition, Construction, and Improvements.....	+1	+2
The +\$1 million budget authority difference is due to rounding. In addition, OMB has higher estimates of outlays from new authority (+\$72 million) and lower estimates of outlays from prior-year authority (-\$70 million) than CBO.		
Trust Fund Share of Expenses.....	-1	---
The -\$1 million budget authority difference is due to rounding.		
Immigration and Customs Enforcement		
Salaries and Expenses.....	-1	-150
The -\$1 million budget authority difference is due to rounding. In addition, OMB has lower estimates of outlays from new authority (-\$1,078 million) and higher estimates of outlays from prior-year authority (+\$928 million) than CBO.		
Federal Law Enforcement Training Center:		
Salaries and Expenses.....	+1	+5
The +\$1 million budget authority difference is due to rounding. In addition, OMB has lower estimates of outlays from new authority (-\$24 million) and higher estimates of outlays from prior-year authority (+\$29 million) than CBO.		
Departmental Management and Operations:		
Office of the Inspector General.....	-1	+14
The -\$1 million budget authority difference is due to rounding. In addition, OMB has lower estimates of outlays from new authority (-\$18 million) and higher estimates of outlays from prior-year authority (+\$32 million) than CBO.		
Departmental Operations.....	-2	-97
The -\$2 million budget authority difference is due to rounding. In addition, OMB has lower estimates of outlays from new authority (-\$227 million) and higher estimates of outlays from prior-year authority (+\$130 million) than CBO.		

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CBO Estimates Compared to OMB Estimates for P.L. 114-4
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(in millions of dollars)

	FY 2015 Enacted	
	BA	Outlays
Technical Outlay Estimating Differences:		
Department of Homeland Security:		
Departmental Management and Operations:		
Office of the Chief Information Officer.....	---	-71
OMB has lower estimates of outlays from new authority (-\$214 million) and higher estimates of outlays from prior-year authority (+\$143 million) than CBO.		
Working Capital Fund.....	---	-472
OMB has lower estimates of outlays from new authority (-\$881 million) and higher estimates of outlays from prior-year authority (+\$409 million) than CBO.		
Transportation Security Administration:		
Federal Air Marshals.....	---	-51
OMB has lower estimates of outlays from prior-year authority (-\$51 million) than CBO.		
Customs and Border Protection:		
Border Security Fencing, Infrastructure, and Technology.....	---	+51
OMB has higher estimates of outlays from prior-year authority (+\$51 million) than CBO.		
Federal Emergency Management Agency:		
Science and Technology:		
Research, Development, Acquisitions, and Operations.....	---	-272
OMB has lower estimates of outlays from new authority (-\$299 million) and higher estimates of outlays from prior-year authority (+\$27 million) than CBO.		
Federal Law Enforcement Training Center:		
Acquisitions, Construction, Improvements, and Related Expenses.....	---	-717
OMB has lower estimates of outlays from new authority (-\$794 million) and higher estimates of outlays from prior-year authority (+\$77 million) than CBO.		
National Protection and Programs Directorate:		
Office of Biometric Identity Management.....	---	+78
OMB has higher estimates of outlays from both new (+\$73 million) and prior-year authority (+\$5 million) than CBO.		
Other technical outlay estimating differences	---	+184
TOTAL DIFFERENCES.....	-33	+1,683
OMB ESTIMATE, NON-DEFENSE CATEGORY - BASE DISCRETIONARY APPROPRIATIONS.....	38,212	45,123

Table 1.
CBO Estimates Compared to OMB Estimates for P.L. 114-4
Department of Homeland Security Appropriations Act, 2015
(in millions of dollars)

	FY 2015 Enacted	
	BA	Outlays
<i>Non-Defense Category-Disaster Relief Cap Adjustment</i>		
CBO ESTIMATE, NON-DEFENSE CATEGORY - DISASTER RELIEF CAP ADJUSTMENT ¹	6,438	322
Technical Outlay Estimating Differences:		
Department of Homeland Security:		
Federal Emergency Management Agency:		
Disaster Relief Fund.....	---	+1,609
OMB has higher estimates of outlays from new authority (+\$1,609 million) than CBO.		
OMB ESTIMATE, NON-DEFENSE CATEGORY - DISASTER RELIEF CAP ADJUSTMENT	6,438	1,931
SUMMARY		
CBO TOTAL, HOMELAND SECURITY APPROPRIATIONS ¹	46,321	45,509
<i>CBO Defense Category Base Subtotal</i>	1,600	1,577
<i>CBO Defense Category OCO/GWOT Subtotal</i>	213	170
<i>CBO Non-Defense Category Base Subtotal (Including CHIMPS)</i>	38,070	43,440
<i>CBO Non-Defense Category Disaster Relief Subtotal</i>	6,438	322
TOTAL DIFFERENCES	-33	+3,263
<i>Defense Category Base Differences</i>	---	+127
<i>Defense Category OCO/GWOT Differences</i>	---	-68
<i>Non-Defense Category Base Differences (Including CHIMPS)</i>	-33	+1,595
<i>Non-Defense Disaster Relief Differences</i>	---	+1,609
OMB TOTAL, HOMELAND SECURITY APPROPRIATIONS	46,288	48,772
<i>OMB Defense Category Base Subtotal</i>	1,600	1,704
<i>OMB Defense Category OCO/GWOT Subtotal</i>	213	102
<i>OMB Non-Defense Category Base Subtotal (Including CHIMPS)</i>	38,037	45,035
<i>OMB Non-Defense Category Disaster Relief Subtotal</i>	6,438	1,931

¹ CBO data was received by OMB on January 9, 2015

Table 2.
Enacted Appropriations as of March 6, 2015
(in millions of dollars)

	FY 2015	
	BA	Outlays
DEFENSE CATEGORY		
Discretionary Spending Limit ¹	585,870	N/A
Appropriations previously enacted ²	584,043	594,178
Newly Enacted Defense Appropriations:		
Amounts provided in P.L. 114-4, the Department of Homeland Security Appropriations Act, 2015.....	1,813	1,806
Total, All Enacted Defense Appropriations.....	585,856	595,984
Defense Appropriations Over (+)/Under (-) spending limit ³	-14	N/A
NON-DEFENSE CATEGORY		
Discretionary Spending Limit ¹	514,107	N/A
Appropriations previously enacted ²	467,045	562,195
Newly Enacted Non-Defense Appropriations:		
Amounts provided in P.L. 114-4, the Department of Homeland Security Appropriations Act, 2015.....	44,475	46,966
Total, All Enacted Non-Defense Appropriations.....	511,520	609,161
Non-Defense Appropriations Over (+)/Under (-) spending limit ³	-2,587	N/A
TOTAL DISCRETIONARY APPROPRIATIONS		
Discretionary Spending Limits ¹	1,099,977	N/A
Appropriations previously enacted ²	1,051,088	1,156,373
Newly Enacted Appropriations:		
Amounts provided in P.L. 114-4, the Department of Homeland Security Appropriations Act, 2015.....	46,288	48,772
Total, All Enacted Discretionary Appropriations.....	1,097,376	1,205,145
Discretionary Appropriations Over (+)/Under (-) spending limits ³	-2,601	N/A

Table 2.
Enacted Appropriations as of March 6, 2015
(in millions of dollars)

	FY 2015	
	BA	Outlays
Defense Appropriations designated by the Congress and the President for Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) ⁴		
<i>Amounts provided in P.L. 114-4, the Department of Homeland Security Appropriations Act, 2015.....</i>	213	102
Non-Defense Appropriations designated by the Congress for Disaster Relief ⁵		
<i>Amounts provided in P.L. 114-4, the Department of Homeland Security Appropriations Act, 2015.....</i>	6,438	1,931

Notes:

¹ The 2015 spending limits for the defense (or "revised security") and non-defense (or "revised nonsecurity") categories are equal to the limits in OMB's Final Sequestration Report for 2015 and OMB's Sequestration Preview Report for 2016. The current 2015 limits were adjusted in OMB's Final Sequestration Report for 2015 based on continuing appropriations that were provided for the Department of Homeland Security by the Continuing Appropriations Resolution, 2015 (P.L. 113-164) that were designated pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) as being for Overseas Contingency Operations/Global War on Terrorism (OCO) or were designated pursuant to section 251(b)(2)(D) of BBEDCA as being for disaster relief. The enactment of the Homeland Security Appropriations Act, 2015 (P.L. 114-4) will require adjustments to the 2015 spending limits since the full-year appropriations provided in the Act and designated as being for OCO or disaster relief are different from the continuing appropriations included in P.L. 113-164 that were used to adjust the 2015 spending limits. These updates to the 2015 spending limits will be made in the OMB Sequestration Update Report for 2016 that will be released in August. OMB's sequestration reports are available on the OMB website: http://www.whitehouse.gov/omb/legislative_reports/sequestration.

² The previously enacted appropriations are equal to all the defense and non-defense amounts, including cap adjustments, that OMB scored and reported on its Seven-Day-After Report for the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). These amounts are also consistent with the amounts included in Table 4 of OMB's Final Sequestration Report for 2015, excluding the continuing appropriations for the Department of Homeland Security.

³ The amounts by which the enacted appropriations come in under the respective defense and non-defense categories for 2015 will change once, as stated in the first note above, OMB adjusts the discretionary spending limits in its Sequestration Update Report for 2016 in August based on enacted OCO and disaster relief appropriations included in P.L. 114-4.

⁴ As stated in the first note above, section 251(b)(2)(A) of BBEDCA authorizes an adjustment to the caps for appropriations that are designated by the Congress, and subsequently designated by the President, for Overseas Contingency Operations/Global War on Terrorism. P.L. 114-4 included funding for these activities with the appropriate designation and the President transmitted to the Congress on March 4, 2015 his subsequent designation of these amounts. These amounts are summarized here but are also included in the totals displayed above.

⁵ As stated in the first note above, 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. P.L. 114-4 included funding for these activities with the appropriate designation. These amounts are summarized here and are also included in the totals displayed above.