

OMB FINAL SEQUESTRATION REPORT TO THE
PRESIDENT AND CONGRESS FOR FISCAL YEAR 2013

COMMUNICATION

FROM

THE ACTING DIRECTOR,
THE OFFICE OF MANAGEMENT AND
BUDGET

TRANSMITTING

OMB'S FINAL SEQUESTRATION REPORT FOR FISCAL YEAR 2013



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EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, April 9, 2013.

Hon. JOHN A. BOEHNER,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Enclosed please find the *OMB Final Sequestration Report to the President and Congress for Fiscal Year 2013*. It has been prepared pursuant to section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended.

As required by law, the report provides current estimates of the discretionary spending limits for each category in BBEDCA, the Office of Management and Budget's (OMB) scoring of the enacted 2013 discretionary appropriations bills compared to those limits, and comparisons with the estimates provided by the Congressional Budget Office in its *Final Sequestration Report for Fiscal Year 2013*.

As noted in my letter of March 27, 2013, OMB has evaluated whether spending reductions (known as "sequestration") pursuant to section 251 of BBEDCA are required for fiscal year 2013. This concerns a sequestration that is distinct from the Joint Committee sequestration pursuant to Section 251A of BBEDCA. Based on the estimates in this report, which are consistent with the determinations in my letter of March 27, enacted appropriations are within the discretionary spending limits for 2013, and a sequestration of discretionary budget authority pursuant to section 251 of BBEDCA is not required.

Sincerely,

JEFFREY D. ZIENTS,
Acting Director.

Enclosure.

**OMB Final Sequestration Report
to the President and Congress
for Fiscal Year 2013**



April 9, 2013

I. INTRODUCTION

The Budget Control Act of 2011 (BCA), PL. 112-25, amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) by reinstating the discretionary spending limits on budget authority that had expired after 2002. These limits were further revised by the American Taxpayer Relief Act of 2012 (ATRA), PL. 112-240, section 901(d).

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. Such a sequestration is distinct from the Joint Committee sequestration required by section 251A of BBEDCA. Section 901(b) of ATRA effectively postponed this report by delaying the evaluation and implementation

of any sequestration for fiscal year 2013 pursuant to section 251(a)(1) of BBEDCA to March 27, 2013. OMB issued a *letter* on March 27th determining that such a sequestration was not required because section 3004 in Division G of the Consolidated and Further Continuing Appropriations Act, 2013 (PL. 113-6) requires OMB to calculate a rescission to eliminate any amount by which the new budget authority provided in that Act exceeded the 2013 spending limits.

As required, OMB's scoring estimates rely on the same economic and technical assumptions used in the President's 2013 Budget, which the President transmitted to the Congress on February 13, 2012. This report covers appropriations legislation enacted through April 4, 2013, and indicates that no sequestration of discretionary budget authority is required.

II. DISCRETIONARY FINAL SEQUESTRATION REPORT

BBEDCA requires OMB to issue reports containing OMB's scoring of individual appropriations bills within seven days of their enactment and, three times a year, on the overall status of discretionary legislation. Any 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 2013, 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 as used in the President's 2013 Budget, which the President transmitted to the Congress on February 13, 2012.

Discretionary programs are funded annually through the appropriations process. BBEDCA, as amended by the BCA and the ATRA, limits—or caps—budget authority available for discretionary programs each year through 2021. BBEDCA 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 for discretionary programs. The security category included discretionary appropriations for budget accounts in the Department of Defense, the Department of Homeland Security, the Department of Veterans Affairs, the National Nuclear Security Administration, the Intelligence Community Management Account, and all discretionary budget accounts in budget function 150 (international affairs). The nonsecurity category included all budget accounts that do not fall into the security category. After 2013, BBEDCA specified a single category for all discretionary spending referred to as the “discretionary” category.

However, section 302 of the BCA provided for revisions to the caps if legislation proposed by the Joint Select Committee on Deficit Reduction, established in Title IV of the BCA, to reduce the deficit by more than \$1.2 trillion was not enacted by January 15, 2012. Because the Joint Select Committee on Deficit Reduction failed to propose any legislation, and thus, no such legislation was enacted, the caps were revised in OMB's *Final Sequestration Report for FY 2012*, which was issued on January 18, 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. The cap amounts were adjusted to reflect the revised categories, but, the total cap for discretionary spending remained unchanged. The overall discretionary category for 2014 through 2021 was essentially eliminated, replaced by caps for the defense and non-defense categories.

The caps were revised further by section 901(d) of ATRA, which reinstated the original security and nonsecurity categories for 2013, and reduced the caps by \$4 billion, evenly split between the security and nonsecurity categories. ATRA left the defense and non-defense caps in place for 2014 through 2021, but lowered the 2014 caps by \$8 billion, evenly split between the defense and non-defense categories. Table 1 summarizes the original caps enacted in the BCA and all changes to date that have been made to those caps. Table 2 shows the current law caps, including the changes necessitated by section 901(d) of ATRA. Table 2 also shows further adjustments to the caps, which are discussed in the next section.

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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
Original limits set in Title I of the Budget Control Act of 2011:										
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
2012 Enacted adjustments pursuant to section 251(b)(2) of BBEDCA:										
OCO/GWOT:										
Security Category.....	+126.5									
Program Integrity:										
Nonsecurity Category.....	+0.5									
Disaster Relief:										
Security Category.....	+6.4									
Nonsecurity Category.....	+4.1									
Redefinition of limits pursuant to section 251A of BBEDCA:										
Security Category.....	N/A	-686.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category.....	N/A	-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 the ATRA:										
Security Category.....	N/A	+684.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nonsecurity Category.....	N/A	+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	-301.0	-4.0							
2013 Enacted adjustments pursuant to section 251(b)(2) of BBEDCA:										
OCO/GWOT:										
Security Category.....		+98.7								
Emergency Requirements:										
Security Category.....		+7.0								
Nonsecurity Category.....		+34.6								
Program Integrity:										
Nonsecurity Category.....		+0.5								
Disaster Relief:										
Security Category.....		+11.8								
Revised Limits Included in the OMB 2013 Final Sequestration Report:										
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
Revised Security Category (Defense).....	N/A	N/A	532.0	566.0	577.0	590.0	603.0	616.0	630.0	644.0
Revised Nonsecurity Category (Non-Defense).....	N/A	N/A	506.0	520.0	530.0	541.0	553.0	566.0	578.0	590.0

N/A = Not Applicable

Section 251(b)(2) Adjustments to Discretionary Limits

Table 2 shows how adjustments pursuant to section 251(b) of BBEDCA affect the discretionary limits for 2013. Section 251(b)(1) allows adjustments for concepts and definitions in the Preview Report, which is transmitted with the President's Budget, and section 251(b)(2) authorizes certain adjustments after the enactment of appropriations. With final appropriations for 2013 enacted, the following adjustments are now made to the 2013 security and nonsecurity caps in Table 2:

Emergency Appropriations and Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT).—These adjustments are authorized in section 251(b)(2)(A) of BBEDCA and include funding for amounts that 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 2013 Disaster Relief Appropriations Act (*P.L. 113-2*), which was enacted for response and recovery efforts to Hurricane Sandy, included a total of \$41,669 million in appropriations that were designated as

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
SECURITY CATEGORY										
Preview Report Spending Limit.....	816,943	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments in the Update Report: No Adjustments										
Update Report Spending Limit.....	816,943	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes enacted pursuant to section 901(d) of the ATRA: Reinstate Security Cap for 2013.....		+684,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments for the Final Sequestration Report: Overseas Contingency Operations/Global War on Terrorism.....		+98,682	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Emergency Requirements.....		+7,042	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Disaster Relief.....		+11,779	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal, Security Category Adjustments.....		+117,503	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Final Sequestration Report Spending Limit.....	816,943	801,503	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NONSECURITY CATEGORY										
Preview Report Spending Limit.....	363,536	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments in the Update Report: No Adjustments										
Update Report Spending Limit.....	363,536	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Changes enacted pursuant to section 901(d) of the ATRA: Reinstate Nonsecurity Cap for 2013.....		+359,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments for the Final Sequestration Report: Emergency Requirements.....		+34,627	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CDRs and Redeterminations.....		+483	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal, Nonsecurity Category Adjustments.....		+35,110	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Final Sequestration Report Spending Limit.....	363,536	394,110	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DISCRETIONARY CATEGORY										
Preview Report Spending Limit.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments in the Update Report: No Adjustments										
Update Report Spending Limit.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adjustments for the Final Sequestration Report: No Adjustments										
Final Sequestration Report Spending Limit.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DEFENSE (OR "REVISED SECURITY") CATEGORY										
Preview Report Spending Limit.....	N/A	546,000	556,000	566,000	577,000	590,000	603,000	616,000	630,000	644,000
Adjustments in the Update Report: No Adjustments										
Update Report Spending Limit.....	N/A	546,000	556,000	566,000	577,000	590,000	603,000	616,000	630,000	644,000
Changes enacted pursuant to section 901(d) of the ATRA: Eliminate Defense Category for 2013.....		N/A	-546,000							
Reduce Defense Category for 2014.....		N/A	-4,000							
Subtotal, changes pursuant to the ATRA.....		N/A	-546,000	-4,000						
Final Sequestration Report Spending Limit.....	N/A	N/A	552,000	566,000	577,000	590,000	603,000	616,000	630,000	644,000

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
NON-DEFENSE (OR REVISED NONSECURITY) CATEGORY										
Preview Report Spending Limit.....	N/A	501,000	510,000	520,000	530,000	541,000	553,000	566,000	578,000	590,000
Adjustments in the Update Report: No Adjustments										
Update Report Spending Limit.....	N/A	501,000	510,000	520,000	530,000	541,000	553,000	566,000	578,000	590,000
Changes enacted pursuant to section 901(4) of the ATRA:										
Eliminate Defense Category for 2013.....	N/A	-501,000								
Reduce Defense Category for 2014.....	N/A		-4,000							
Subtotal, changes pursuant to the ATRA.....	N/A	-501,000	-4,000							
Final Sequestration Report Spending Limit.....	N/A	N/A	506,000	520,000	530,000	541,000	553,000	566,000	578,000	590,000
TOTAL DISCRETIONARY SPENDING										
Preview Report, Total Discretionary Spending.....	1,180,479	1,047,000	1,066,000	1,086,000	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Update Report, Total Discretionary Spending.....	1,180,479	1,047,000	1,066,000	1,086,000	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Final Sequestration Report, Total Discretionary Spending.....	1,180,479	1,195,613	1,058,000	1,086,000	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000

N/A = Not Applicable

emergency requirements pursuant to BBEDCA. A total of \$7,042 million was provided for agencies in the security category and \$34,627 million was provided for agencies in the nonsecurity category. The Congress designated the amounts in P.L. 113–2 as emergency requirements, and the President transmitted to the Congress his designation of these amounts on January 29, 2013. In addition, the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113–6) provided a total of \$98,682 million (including rescissions) for OCO/GWOT purposes for 2013. The component amounts were appropriated in the 2013 Department of Defense Appropriations Act; the 2013 Homeland Security Appropriations Act; the 2013 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act; and the 2013 Further Continuing Appropriations Act for Department of State, Foreign Operations and Related Programs appropriations (Divisions C, D and E, and Title VII of Division F of P.L. 113–6, respectively). The adjustment for these amounts is allocated entirely to the security category. The Congress in P.L. 113–6 designated these amounts for OCO/GWOT activities, and the President transmitted to the Congress his designation of these amounts on March 26, 2013. Presidential

designations of emergency requirements and OCO/GWOT amounts can be found on OMB's website: <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 are still disabled. 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. 2013 appropriations for the Departments of Labor, Health and Human Services (HHS), Education, and Related Agencies in the Further Continuing Appropriations Act (Title V of Division F of P.L. 113–6) provided a

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base level of \$273 million and \$483 million as a cap adjustment for these purposes—\$268 million below the maximum allowable adjustment of \$751 million specified for 2013 in BBEDCA, and the same as the 2012 enacted level included in the 2012 Departments of Labor, Health and Human Services (HHS), Education, and Related Agencies Appropriations Act (Division E of P.L. 112-74). By not providing the full cap adjustment authorized by BBEDCA for these activities, the Congress is forgoing the opportunity to achieve net deficit savings of approximately \$1.9 billion. This adjustment is allocated entirely to the nonsecurity category.

Health Care Fraud and Abuse Control (HCFAC).—Section 251(b)(2)(C) of BBEDCA authorizes adjustment of the caps by amounts appropriated for HCFAC activities, which include efforts to reduce the Medicare improper payment rate by 50 percent and strengthen the Health Care Fraud Prevention & Enforcement Action Team (HEAT) 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. However, 2013 appropriations for the Departments of Labor, Health and Human Services (HHS), Education, and Related Agencies in the Further Continuing Appropriations Act (Title V of Division F of P.L. 113-6) provided a base level of only \$310 million (before the across-the-board rescission in section 3004 of Division G in that Act) and no funding for the cap adjustment, despite the fact that BBEDCA provided for a maximum allowable adjustment of \$299 million. As for CDRs and redeterminations, the 2013 enacted level for HCFAC activities is nearly the same as the 2012 enacted level included in the 2012 Departments of Labor, Health and Human Services (HHS), Education, and Related Agencies Appropriations Act (Division E of P.L. 112-74). Because the base was not fully funded and no additional funding was provided pursuant to section 251(b)(2)(C), no cap adjustment for

HCFAC funding is reflected. By not providing the full base funding and cap adjustment authorized by BBEDCA for these activities, the Congress is forgoing the opportunity to achieve deficit savings of approximately \$450 million.

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 FY 2013*, released on August 20, 2013, a preview estimate of the 2013 adjustment for disaster relief. The ceiling for the disaster relief adjustment in 2013 was calculated to be \$11,779 million. The Congress subsequently enacted appropriations in 2013 designated for disaster relief up to that ceiling in the Federal Emergency Management Agency’s Disaster Relief Fund (DRF). Exactly \$6,400 million was included for the DRF in the 2013 Consolidated and Further Continuing Appropriations Act (P.L. 113-6), and \$5,379 million was included for the DRF in the 2013 Disaster Relief Appropriations Act (P.L. 113-2) for Hurricane Sandy response and recovery. Accordingly, Table 2 reflects 2013 disaster relief cap adjustments totaling \$11,779 million, entirely to the security category.

**Summary of Current Year (FY 2012)
Discretionary Appropriations**

Section 254(f)(2) of BBEDCA, as amended, 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 2012 discretionary appropriations, relative to the discretionary caps for 2012. The caps include all adjustments made in the *Final Sequestration Report for FY 2012*. No further supplemental appropriations were enacted in 2012, so the scoring for enacted budget authority for both categories for 2012 remains within the specified cap levels.

**Summary of Budget Year (FY 2013)
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 2013 appropriations bills as measured against the 2013 spending limits.

In its March 27th letter, OMB stated that a sequestration of discretionary budget authority was not required since section 3004 in Division G of P.L. 113–6, the 2013 Consolidated and Further Continuing Appropriations Act, required OMB

**Table 3. STATUS OF 2012 DISCRETIONARY
APPROPRIATIONS**
(In millions of dollars)

	BA	Outlays
Security Category		
Adjusted discretionary spending limits.....	816,943	N/A
Total enacted appropriations ¹	816,871	862,749
Spending over (+)/under (-) limits.....	-72	N/A
Nonsecurity Category		
Adjusted discretionary spending limits.....	363,536	N/A
Total enacted appropriations.....	361,544	482,053
Spending over (+)/under (-) limits.....	-1,992	N/A
Total Discretionary Spending—All Categories		
Adjusted discretionary spending limits.....	1,180,479	N/A
Total enacted appropriations ¹	1,178,415	1,344,802
Spending over (+)/under (-) limits.....	-2,064	N/A

¹The enacted security appropriations total excludes scored rescissions of -\$30 million taken from balances of previous congressionally-designated emergency funding. Since these rescissions were not designated as an emergency pursuant to section 251(b)(2)(A) of the BBEDCA, as amended, they are not counted as offsets toward the discretionary caps.

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to calculate a rescission to eliminate the amount by which the new budget authority provided in that Act exceeded the security and nonsecurity discretionary spending limits for 2013 due to estimating differences between CBO and OMB. This provision ensured that no budget-year breach within either category would occur and that a sequestration of discretionary budget authority would not be required. OMB calculated that this provision required an across-the-board rescission for all security programs of 0.032 percent and an across-the-board rescission of 0.200 percent for all nonsecurity programs.

Due to these across-the-board rescissions, OMB estimates that discretionary spending in the security and nonsecurity discretionary categories is below the budget authority limits set in BBEDCA by \$3 million and \$1 million, respectively. As a result, OMB estimates that sequestration will not be required for either of the discretionary categories. The across-the-board rescission calculations produce totals that are slightly under the spending limits both because appropriations are estimated in whole millions of dollars, thereby producing minor rounding differences, and because the across-the-board rescission is only carried out to the thousandth of a percent, which is consistent with the most number of digits for an across-the-board reduction enacted by the Congress over the past decade.

Table 4. SUMMARY OF 2013 APPROPRIATIONS ACTION¹

(Discretionary budget authority and outlays in millions of dollars)

	BA	Outlays
SECURITY CATEGORY		
Security Appropriations:		
Agriculture and Rural Development.....	1,616	1,656
Commerce, Justice, Science, and Related Agencies.....	81	81
Defense.....	604,673	644,915
Energy and Water Development.....	11,497	11,889
Homeland Security.....	46,488	55,541
Legislative Branch.....	8	9
Military Construction and Veterans Affairs.....	71,565	81,766
State and Foreign Operations.....	53,151	55,985
Disaster Relief Appropriations Act.....	12,421	4,396
Total, Security Appropriations.....	801,500	856,238
Final Sequestration Report Security Category Limit.....	801,503	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT.....	-3	N/A
NONSECURITY CATEGORY		
Nonsecurity Appropriations:		
Agriculture and Rural Development.....	18,783	22,049
Commerce, Justice, Science, and Related Agencies.....	50,076	58,072
Energy and Water Development.....	21,724	33,177
Financial Services and General Government.....	21,418	24,343
Interior and Environment.....	29,770	31,803
Labor, HHS, and Education.....	157,034	166,266
Legislative Branch.....	4,268	4,327

Table 4. SUMMARY OF 2013 APPROPRIATIONS ACTION¹—Continued
(Discretionary budget authority and outlays in millions of dollars)

	BA	Outlays
Military Construction and Veterans Affairs.....	338	288
State and Foreign Operations.....	130	136
Transportation and Housing and Urban Development.....	52,482	119,612
Disaster Relief Appropriations Act.....	38,086	5,276
Total, Nonsecurity Appropriations.....	394,109	465,349
Final Sequestration Report Nonsecurity Category Limit.....	394,110	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT.....	-1	N/A
TOTAL DISCRETIONARY		
Total, Discretionary.....	1,195,609	1,321,587
Final Sequestration Report Total Category Limits.....	1,195,613	N/A
CONGRESSIONAL ACTION OVER(+)/UNDER(-) TOTAL OF LIMITS.....	-4	N/A

¹ 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.

Comparison of OMB and CBO Discretionary Limits

Section 254(f)(4) of BBEDCA requires that this report explain the differences between OMB and CBO estimates for the discretionary spending limits. Table 5 compares OMB and CBO limits for fiscal years 2013 through 2021. CBO uses the discretionary limits from OMB's *Sequestration Update Report for FY 2013* as a starting point for adjustments in its *Final Sequestration Report for FY 2013*, and includes changes enacted in ATRA. For 2013, CBO's estimate of the security category cap is \$1 million higher than OMB's estimate, which is attributable to a rounding difference in the OCO/GWOT adjustment under section 251(b) (2)(A) of BBEDCA. There are no differences between OMB and CBO estimates for the 2013 non-security category cap. For 2014 through 2021, CBO begins with the same levels as OMB for the defense and non-defense caps. However, CBO

includes approximate adjustments to the 2014-2021 caps to account for the automatic enforcement procedures in section 251A of BBEDCA. OMB does not include these reductions to the revised limits because they are not required in this report.

Although OMB and CBO have virtually the same estimate of the 2013 caps, differences do exist in the amount of enacted 2013 discretionary budget authority that is scored against the caps. Detailed explanations of these differences are available in the separate seven-day-after reports issued subsequent to enactment of each discretionary appropriations bill (see these "Seven-Day-After Reports" on OMB's website: http://www.whitehouse.gov/omb/legislative_reports/BEA_reports).

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**Table 5. COMPARISON OF OMB AND CBO
DISCRETIONARY SPENDING LIMITS**
(Discretionary budget authority in millions of dollars)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
CBO Final Report Limit.....	801,504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OMB Final Report Limit.....	801,503	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference +/-.....	-1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CBO Final Report Limit.....	394,110	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OMB Final Report Limit.....	394,110	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Difference +/-.....		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CBO Final Report Limit.....	N/A	497,352	511,351	522,351	535,350	548,350	561,350	575,349	589,349
OMB Final Report Limit.....	N/A	552,000	566,000	577,000	590,000	603,000	616,000	630,000	644,000
Difference +/-.....	N/A	+54,648	+54,649	+54,649	+54,650	+54,650	+54,650	+54,651	+54,651
CBO Final Report Limit.....	N/A	469,023	483,313	493,502	505,018	517,622	531,517	545,021	557,777
OMB Final Report Limit.....	N/A	506,000	520,000	530,000	541,000	553,000	566,000	578,000	590,000
Difference +/-.....	N/A	+36,977	+36,687	+36,498	+35,982	+35,378	+34,483	+32,979	+32,223
CBO Final Report, Total Discretionary.....	1,195,614	966,375	994,664	1,015,853	1,040,368	1,065,972	1,092,867	1,120,370	1,147,126
OMB Final Report, Total Discretionary.....	1,195,613	1,058,000	1,086,000	1,107,000	1,131,000	1,156,000	1,182,000	1,208,000	1,234,000
Difference +/-.....	-1	+91,625	+91,336	+91,147	+90,632	+90,028	+89,133	+87,630	+86,874

N/A = Not Applicable