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# OMB Sequestration Update Report to the President and Congress for Fiscal Year 2024

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August 18, 2023



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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

August 18, 2023

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Enclosed please find the *OMB Sequestration Update Report to the President and Congress for Fiscal Year 2024*. The Office of Management and Budget (OMB) has prepared this report pursuant to section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985.

As required by law, the report sets forth estimates of the discretionary spending limits for the revised security and revised nonsecurity categories enacted in the Fiscal Responsibility Act of 2023 (Public Law 118-5). The report provides the status of OMB scoring of actions to date by the House of Representatives and the Senate on 2024 discretionary appropriations bills, comparisons with the spending limit estimates provided by the Congressional Budget Office (CBO) in its August update report, and OMB's preview estimate of the 2024 adjustment for disaster relief.

To date, no 2024 appropriations bills have been enacted into law. Based on the current spending limits for 2024, this report estimates that actions to date by the House of Representatives and the Senate will not breach either limit. Ultimately, final legislative action will determine the need for sequestration. The Administration will work with the Congress to ensure that an unintended sequestration does not occur. OMB must issue a final sequestration report for 2024 after all 12 appropriations bills have been enacted into law.

Sincerely,

A handwritten signature in black ink that reads "Shalanda D. Young". The signature is written in a cursive, flowing style.

Shalanda D. Young

Enclosure

Identical Letter Sent to The Honorable Kamala Harris  
and The Honorable Kevin McCarthy



# I. INTRODUCTION

The Fiscal Responsibility Act of 2023 (FRA; Public Law 118-5) amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) by establishing limits on discretionary budget authority for fiscal years 2024 and 2025. Section 254 of BBEDCA requires OMB to issue a sequestration update report by August 20 each year. This report provides OMB's current estimates of the discretionary spending limits and contains OMB's scoring estimates of pending appropriations legislation as measured against the 2024 limits as of August 15, 2023. As required by BBEDCA, OMB's estimates are based on the economic

and technical assumptions used in the President's 2024 Budget and cover the 12 annual appropriations bills for 2024 that have been reported or passed by the House of Representatives and the Senate. Pursuant to section 254(e) of BBEDCA, this report also contains OMB's calculation of the 2024 preview estimate of the adjustment for disaster relief funding. If the discretionary caps for 2024 remain unchanged, OMB's preliminary estimates of appropriations action to date by the House and Senate do not breach either limit for 2024. The preliminary House and Senate estimates are summarized in Table 2 of this report.



## II. DISCRETIONARY SEQUESTRATION UPDATE REPORT

Discretionary programs are funded through the annual appropriations process, which is largely governed by congressional procedures delineated in the Congressional Budget and Impoundment Control Act of 1974, as amended. However, both the Congress and the President have seen fit to add statutory spending limits (or caps) in BBEDCA as a way to reach bipartisan agreement on levels of discretionary spending for a period of time. These caps are meant to be limits on spending and do not require that the Congress appropriate the full amount available under the cap. From 2012 through 2021, discretionary limits were in place due to enactment of the Budget Control Act of 2011 (Public Law 112-25). These limits were subsequently revised through multiple, bipartisan budget agreements that adjusted the limits for two years at a time.<sup>1</sup> The limits ultimately expired after 2021.

<sup>1</sup> For more information on the structure of the BBEDCA spending caps enacted in the BCA and how they changed over time,

The FRA follows a similar approach to prior two-year budget agreements by amending BBEDCA to set new caps on the amount of new budget authority available for discretionary programs for fiscal years 2024 and 2025. When statutory caps are in place, OMB is required to provide regular reports regarding the status of the discretionary spending limits as the Congress works on the annual appropriations bills. Within seven working days of enactment of an appropriations bill, BBEDCA requires OMB to report its estimates of the enacted discretionary new budget authority. BBEDCA also requires OMB

see Table 1 of any of OMB's discretionary sequestration reports to the President and the Congress for fiscal years 2012 through 2021 for this Administration and the prior Administration that are posted on OMB's website (<https://www.whitehouse.gov/omb/legislative/sequestration-reports-orders/>). For reports posted during the Obama Administration, please see the following archive site ([https://obamawhitehouse.archives.gov/omb/legislative\\_reports/sequestration](https://obamawhitehouse.archives.gov/omb/legislative_reports/sequestration)).

**Table 1. DISCRETIONARY SPENDING LIMITS**

(Discretionary budget authority in millions of dollars)

	2024	2025
<b><u>DEFENSE (OR "REVISED SECURITY") CATEGORY</u></b>		
Sequestration Update Report Spending Limits (Enacted in FRA) .....	886,349	895,212
<i>Anticipated Adjustments for the Final Sequestration Report:</i>		
<i>No Adjustments</i>		
<i>Anticipated Final Sequestration Report Defense Spending Limits</i> .....	<i>886,349</i>	<i>895,212</i>
<b><u>NON-DEFENSE (OR "REVISED NONSECURITY") CATEGORY</u></b>		
Sequestration Update Report Spending Limits (Enacted in FRA) .....	703,651	710,688
<i>Anticipated Adjustments for the Final Sequestration Report:</i>		
<i>SSA Dedicated Program Integrity</i> .....	<i>+1,578</i>	<i>+1,630</i>
<i>Health Care Fraud and Abuse Control</i> .....	<i>+604</i>	<i>+630</i>
<i>Disaster Relief</i> .....	<i>+20,404</i>	<i>....</i>
<i>Reemployment Services and Eligibility Assessments</i> .....	<i>+265</i>	<i>+271</i>
<i>Wildfire Suppression</i> .....	<i>+2,650</i>	<i>....</i>
<i>Subtotal, Anticipated Non-Defense Adjustments for the Final Sequestration Report</i> .....	<i>+25,501</i>	<i>+2,531</i>
<i>Anticipated Final Sequestration Report Non-Defense Spending Limits</i> .....	<i>729,152</i>	<i>713,219</i>
<b><u>TOTAL DISCRETIONARY FUNDING</u></b>		
Sequestration Update Report, Total Discretionary Spending .....	1,590,000	1,605,900
<i>Anticipated Final Sequestration Report, Total Discretionary Spending</i> .....	<i>1,615,501</i>	<i>1,608,431</i>

to issue reports three times during the year on the overall status of the discretionary caps, including this August update report. This update formally reports on the new caps for 2024 and 2025 and provides OMB's mid-year assessment of pending 2024 appropriations legislation as of August 15, 2023 under current scoring estimates if the actions taken to date by the House of Representatives or the Senate on discretionary appropriations bills were to become law. Appropriations that OMB estimates would exceed the current caps would trigger an across-the-board reduction (or sequestration) pursuant to section 251(a) of BBEDCA to eliminate the breach. As required by law, OMB's estimates are based on the economic and technical assumptions used in the President's 2024 Budget, and cover the 12 annual appropriations bills for 2024 that have been reported or passed by the House and Senate. The next sections discuss the funding levels and structure of the current caps and anticipated adjustments to those caps.

**Current discretionary limits.** Section 251 of BBEDCA specifies two categories for discretionary funding. The revised security category includes only the discretionary programs in the defense budget function 050 (the "defense" category), 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 non-security category consists of all discretionary programs not in the revised security category—essentially all non-defense (or non-050) budget functions (the "non-defense" category). Table 1 summarizes the caps enacted in the FRA, and there have been no changes to caps since enactment of the FRA on June 3, 2023. The 2024 caps provide \$886.3 billion for defense and \$703.7 billion for non-defense, while the 2025 caps provide \$895.2 billion for defense and \$710.7 billion for non-defense.

**Section 251 of BBEDCA adjustments to discretionary limits.**—BBEDCA permits a number of adjustments to the discretionary caps in specific circumstances. Section 251(b)(1) allows adjustments for changes in concepts and definitions to be made in the preview report, which is transmitted with the President's Budget, while section 251(b)(2) authorizes adjustments after the enactment of appropriations if

certain funding is designated in statute. At this time, there are no adjustments to the discretionary limits.

**Anticipated section 251 of BBEDCA adjustments to discretionary limits.**—Although there are no adjustments to the discretionary caps at this time, Table 1 shows anticipated adjustments for 2024 that are available under current law and these anticipated adjustments are described in the text below. In all cases, the level of adjustments provided in the current appropriations bills reported or passed by the House and Senate are also provided and these amounts are included in Table 2. However, these are only anticipated or possible adjustments. The actual adjustments will be determined at the end of this session of the Congress based on appropriations enacted by the Congress and the President and will be reflected in OMB's 2024 final sequestration report. The section 251(b)(2) anticipated adjustments include:

**Emergency Requirement and Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT) Appropriations.**—Section 251(b)(2)(A) of BBEDCA authorizes adjustment to the caps for appropriations that are designated by the Congress, and subsequently designated by the President, as emergency requirements or for OCO/GWOT, on an account-by-account basis. Currently, there are no anticipated adjustments for OCO/GWOT activities. For emergency requirements, the Administration anticipates enacted 2024 appropriations will include a number of emergency appropriations but the precise level and allocation of these amounts will be determined during final negotiations. At present, the House bills do not include emergency appropriations while the Senate bills include approximately \$36.4 billion in emergency appropriations with \$8 billion for defense programs and \$28.4 billion for non-defense programs. The Senate emergency amounts are included in its list of cap adjustments displayed on Table 2.

**Social Security Dedicated Program Integrity Activities.**—Section 251(b)(2)(B) of BBEDCA authorizes cap adjustments for Social Security Administration (SSA) appropriations primarily for Continuing Disability Reviews (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 still qualify for benefits. 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 an individual's benefit level. SSA may also use cap adjustment funds for work on CDRs, cooperative disability investigation units, and special attorneys for fraud prosecutions. 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 before the adjustment. The intent of this adjustment is to ensure sufficient resources for the Social Security Administration to reduce improper payments and achieve significant deficit savings in future years.

The 2024 Budget provided a base funding level of \$287 million and proposed a cap adjustment of \$1,583 million. However, the FRA left the required base at \$273 million and set cap adjustments of \$1,578 million for 2024 and \$1,630 million in 2025. These amounts are included on Table 1 as anticipated adjustments. Both the House and Senate have provided the full cap adjustment level of \$1,578 million in 2024 for these activities in their reported versions of the 2024 Labor, Health and Human Services, Education, and Related Agencies appropriations ("2024 LHHS") bill. Table 2 reflects this same adjustment for the 2024 House and Senate cap adjustments.

**Health Care Fraud and Abuse Control (HCFAC).**—Section 251(b)(2)(C) of BBEDCA authorizes an adjustment to the caps by amounts appropriated for HCFAC activities, which include efforts to reduce the Medicare improper payment rate, support the Health Care Fraud Prevention and Enforcement Action Team initiative, and reduce the Medicaid improper payment rates. 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 before the adjustment. The 2024 Budget set a base amount for this program at \$325 million and proposed a cap adjustment of \$612 million. However, the FRA left the required base at \$311 million and set cap adjustments of \$604 million for 2024 and \$630 million

in 2025. These amounts are included on Table 1 as anticipated adjustments. Both the House and Senate have provided the full cap adjustment level of \$604 million in their reported versions of the 2024 LHHS bill. Table 2 reflects this same adjustment for the 2024 House and Senate cap adjustments.

**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," which 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 (42 U.S.C. 5122(2)). Section 254(e) of BBEDCA requires OMB to include in this report a preview estimate of the adjustment for disaster funding for 2024. The preview estimate for 2024 is currently \$20.4 billion (see section III of this report), and this level ties to the 2024 Budget request which provided \$20.3 billion for the Federal Emergency Management Agency's Disaster Relief Program with an additional \$143 million for the Small Business Administration's Disaster Loans Program. The request covers the costs of Presidentially-declared major disasters, including identified costs for previously declared catastrophic events and the estimated annual cost of non-catastrophic events expected to be obligated in 2024. Consistent with past practice, the 2024 request level does not seek to pre-fund anticipated needs in other programs arising out of disasters that have yet to occur. The 2024 amount is shown as an anticipated adjustment to the non-defense category in 2024 on Table 1. However, no adjustment is shown for 2025 at this time because that level will depend on the calculation of the preview estimate for 2025 that will be determined in next year's update report. At present, the House and Senate have fully funded the 2024 requested amounts in their reported 2024 Homeland Security and Financial Services appropriations bills. The Senate also includes a small rescission of previously enacted disaster relief funds in its reported 2024 Energy and Water Development appropriations bill. These amounts are reflected on Table 2.

**Reemployment Services and Eligibility Assessments.**—Section 30206(c) of title II of the Bipartisan Budget Act of 2018 (BBA of 2018; Public Law 115-123) created a cap adjustment for program

**Table 2. STATUS OF 2024 APPROPRIATIONS ACTION**

(Discretionary budget authority in millions of dollars)

	House Action		Senate Action	
	BA		BA	
<b><u>DEFENSE CATEGORY</u></b>				
Defense Base Appropriations:				
Commerce, Justice, Science, and Related Agencies <sup>1</sup> .....	6,293	A	6,674	C
Defense .....	826,263	C	823,080	C
Energy and Water Development .....	32,513	C	33,421	C
Financial Services and General Government .....	45	C	43	C
Homeland Security .....	3,375	C	3,613	C
Military Construction and Veterans Affairs .....	17,472	F	19,070	C
Transportation and Housing and Urban Development .....	388	C	448	C
Subtotal, Defense Base Discretionary .....	886,349		886,349	
Defense Cap Adjustments: <sup>2</sup>				
Defense (Emergency) .....		C	8,000	C
Total, Defense Discretionary .....	886,349		894,349	
Final Sequestration Report Defense Category Limit (congressional action) <sup>3</sup> .....	886,349		894,349	
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT .....				
<b><u>NON-DEFENSE CATEGORY</u></b>				
Non-Defense Base Appropriations:				
Agriculture and Rural Development .....	21,936	C	25,771	C
Commerce, Justice, Science, and Related Agencies <sup>1</sup> .....	52,383	A	63,183	C
Defense .....	187	C	187	C
Energy and Water Development .....	19,872	C	23,162	C
Financial Services and General Government .....	11,178	C	16,724	C
Homeland Security .....	59,395	C	53,441	C
Interior and Environment .....	25,763	C	38,185	C
Labor, HHS, and Education <sup>1</sup> .....	147,096	A	195,269	C
Legislative Branch <sup>4</sup> .....	6,746	A	6,761	A
Military Construction and Veterans Affairs .....	138,219	F	135,282	C
State and Foreign Operations .....	41,201	C	58,176	C
Transportation and Housing and Urban Development .....	62,032	C	84,855	C
Subtotal, Non-Defense Base Discretionary .....	586,008		700,996	
Non-Defense Cap Adjustments: <sup>2</sup>				
Commerce, Justice, Science, and Related Agencies (Emergency) <sup>1</sup> .....		A	2,250	C
Energy and Water Development (Emergency & Disaster Relief) .....		C	1,362	C
Financial Services and General Government (Disaster Relief) .....	143	C	143	C
Homeland Security (Disaster Relief & Emergency) .....	20,261	C	24,561	C
Interior and Environment (Wildfire Suppression & Emergency) .....	2,650	C	4,845	C
Labor, HHS, and Education (Program Integrity & Emergency) <sup>1</sup> .....	2,447	A	6,669	C
State and Foreign Operations (Emergency) .....		C	3,250	C
Transportation and Housing and Urban Development (Emergency) .....		C	10,840	C
Subtotal, Non-Defense Cap Adjustments .....	25,501		53,920	
Total, Non-Defense Discretionary .....	611,509		754,916	
Final Sequestration Report Defense Category Limit (congressional action) <sup>3</sup> .....	729,152		757,571	
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMIT .....	-117,643		-2,655	
<b><u>TOTAL DISCRETIONARY SPENDING</u></b>				
Total, Discretionary .....	1,497,858		1,649,265	
Estimated Final Sequestration Report Total Category Limits .....	1,615,501		1,651,920	
CONGRESSIONAL ACTION OVER(+)/UNDER(-) LIMITS .....	-117,643		-2,655	

**Table 2. STATUS OF 2024 APPROPRIATIONS ACTION—Continued**

(Discretionary budget authority in millions of dollars)

	House Action	Senate Action
	BA	BA
<b>Memorandum: Appropriations Counted Outside of Statutory Discretionary Budget Enforcement</b> <sup>5</sup>		
<i>21st Century Cures Appropriations</i> .....	457	457
<i>Harbor Maintenance Trust Fund Appropriations</i> .....	2,829	2,829
<i>Hazardous Substance Superfund Appropriations</i> .....	2,544	2,544
<i>Bipartisan Safer Communities Act Appropriations</i> .....	695	695
<i>Infrastructure Investment and Job Act Appropriations</i> .....	66,931	66,931

Key: A = 302(b) Allocation; C = OMB scoring of committee-reported bill; F = OMB scoring of floor-passed bill

NOTE: OMB scoring of House and Senate action is preliminary and subject to change.

<sup>1</sup> Since the Commerce, Justice, Science and Labor, HHS, and Education appropriations bills have not yet been reported through House Full Committee, the 302(b) allocations are reflected for these bills.

<sup>2</sup> The House and Senate bills include the cap adjustments that are currently available pursuant to section 251(b)(2) of BBEDCA for Emergency Requirements, Program Integrity, Disaster Relief, and Wildfire Suppression.

<sup>3</sup> This estimate of the Final Sequestration Report caps begins with the 2024 base cap for each respective category from Table 1 and adds the cap adjustments included in each of the House and Senate bills, respectively.

<sup>4</sup> Holding to tradition, the House- and Senate-reported Legislative Branch bills do not include items from the other chamber since each moved its own bill before the other chamber passed its bill. For a more comparable bill total, the respective House and Senate 302(b) allocations are substituted instead.

<sup>5</sup> The appropriations summarized here are exempted from counting for purposes of statutory budget enforcement pursuant to legislative language enacted in authorizing Acts. Therefore, they are presented separately and are not included in the totals displayed above.

integrity efforts under section 251(b)(2)(E) of BBEDCA for Reemployment Services and Eligibility Assessments (RESEA). Similar to the SSA dedicated program integrity and HCFAC cap adjustments, an adjustment is permitted up to a maximum amount specified in BBEDCA if the underlying appropriations bill first provides a base level of \$117 million for these activities. The 2024 Budget fully funded the base amount for this program and included the full cap adjustment enacted in the BBA of 2018 of \$433 million for 2024. However, the FRA set cap adjustments of \$265 million for 2024 and \$271 million for 2025. These amounts are included as anticipated cap adjustments on Table 1. Both the House and Senate have provided the full cap adjustment level of \$265 million in their reported versions of the 2024 LHHS bill. Table 2 reflects this same adjustment for the 2024 House and Senate cap adjustments.

**Wildfire Suppression Operations.**— Division O of Public Law 115-141, as amended by section 7 of Public Law 116-6, the Stephen Sepp Wildfire Suppression Funding and Forest Management Activities Act, created a cap adjustment under section 251(b)(2) (F) of BBEDCA for wildfire suppression activities to

create greater funding certainty in times of wildfire disasters. BBEDCA permits this adjustment up to a maximum amount specified in the law if the underlying appropriations bill first funds a base level for these activities. The base level is defined as the average costs over ten years for wildfire suppression operations that was requested in the President’s 2015 Budget for the U.S. Department of Agriculture’s Forest Service and for the Department of the Interior (DOI). These amounts have been determined to be \$1,011 million for the Forest Service and \$384 million for DOI. The 2024 Budget requests these base amounts for wildfire suppression and seeks the full \$2,650 million adjustment authorized in BBEDCA for 2024, with \$2,300 million included for Forest Service and \$350 million included for DOI. Providing the full level authorized in 2024 will ensure that adequate resources are available to fight wildland fires, protect communities, and safeguard human life during the most severe wildland fire season. The FRA did not change the existing allowable adjustments in place in BBEDCA for 2024, and this amount is included as an anticipated cap adjustment for 2024 in Table 1. For 2025, no anticipated adjustment is shown at this time since any allocation of the 2025 adjustment will rely

on wildfire suppression needs estimated in the 2025 Budget. Both the House and Senate have provided the full cap adjustment level of \$2,650 million in their reported versions of the 2024 Interior and Environment appropriations bill. Table 2 also reflects this same adjustment for the 2024 House and Senate cap adjustments.

**Status of 2024 discretionary appropriations.**—Table 2 presents, where applicable, preliminary OMB scoring for each of the 12 annual appropriations bills that have been reported or passed by the House and Senate. OMB estimates of House and Senate action include the following assumptions and caveats:

- OMB scoring of the House and Senate bills include the cap adjustments that are currently available pursuant to section 251(b)(2) of BBEDCA for Emergency Requirements, Program Integrity, Disaster Relief, and Wildfire Suppression.
- Since the House has not yet reported the Commerce, Justice, Science and Labor, HHS, and Education appropriations bills through Full Committee, the 302(b) allocations are substituted since OMB is awaiting CBO estimates in order to identify any scoring differences.
- Holding to tradition, the House- and Senate-reported Legislative Branch appropriations bills do not include items from the other chamber since each chamber moved its own bill before the other chamber passed its bill. For a more comparable bill total, the respective House and Senate 302(b) allocations are substituted instead.

OMB estimates of House and Senate action on 2024 appropriations to date do not breach either the defense or non-defense caps at this time. However, OMB continues to review the House and Senate appropriations legislation as well as CBO estimates of that legislation. The estimates in Table 2 remain preliminary and subject to change.

**Note on exempted funds.** While most discretionary funding is either counted under the base BBEDCA caps or are adjustments to the caps pursuant to section 251(b)(2) of BBEDCA, a number of discretionary appropriations are not counted toward the discretionary caps, nor are the caps adjusted for these amounts, because statutory language enacted in authorizing Acts explicitly exempts these funds from being counted for purposes of budget enforcement. The exempted amounts include appropriations provided in the Infrastructure Investment and Jobs Appropriations Act (IIJA) (division J of Public Law 117-58), the Bipartisan Safer Communities Supplemental Appropriations Act, 2022 (division B of Public Law 117-159), and certain revenues made available for the Hazardous Substance Superfund in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2023 (division G of Public Law 117-328). These funds are exempted from counting for purposes of statutory budget enforcement pursuant to section 103 of the FRA. In addition, section 101 of the Water Resources Development Act of 2020 (division AA of Public Law 116-260) exempts from budget enforcement appropriations from the Harbor Maintenance Trust Fund and appropriations designated in statute for section 2106(c) of Public Law 113-121. Finally, the 21st Century Cures Act (Public Law 114-255) directs that funds appropriated for certain activities cannot be counted for purposes of budget enforcement so long as the appropriations were specifically provided for the authorized purposes. As a result of these statutory exemptions, each of these amounts are displayed outside of the discretionary totals on Table 2 in the memorandum section.

**Comparison of OMB and CBO discretionary limits.**—Section 254(e) of BBEDCA requires this report to explain the difference between OMB and CBO estimates for the discretionary spending limits. Table 3 compares OMB and CBO limits for 2024. Like OMB, CBO uses the discretionary caps enacted in the FRA as a starting point for its sequestration update report. There are currently no differences between OMB and CBO for estimates of budget authority caps in each year.

**Table 3. COMPARISON OF OMB AND CBO DISCRETIONARY SPENDING LIMITS**

(Discretionary budget authority in millions of dollars)

	2024
<b><u>DEFENSE (OR "REVISED SECURITY") CATEGORY</u></b>	
CBO 2024 Update Report Limits .....	886,349
OMB 2024 Update Report Limits .....	886,349
<u>Difference +/- .....</u>	<u>.....</u>
<b><u>NON-DEFENSE (OR "REVISED NONSECURITY") CATEGORY</u></b>	
CBO 2024 Update Report Limits .....	703,651
OMB 2024 Update Report Limits .....	703,651
<u>Difference +/- .....</u>	<u>.....</u>
CBO 2024 Update Report, Total Discretionary .....	1,590,000
OMB 2024 Update Report, Total Discretionary .....	1,590,000
<u>Difference +/- .....</u>	<u>.....</u>



### III. PREVIEW ESTIMATE OF THE DISASTER FUNDING ADJUSTMENT FOR FISCAL YEAR 2024

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. “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)). BBEDCA sets an annual limit for the disaster adjustment (or funding ceiling) that is determined through a formula. In the original BCA, the formula had two components: 1) the average of funding provided for disaster relief over the previous 10 years (excluding highest and lowest years) and 2) the amount of any unused carryover from the previous year. After years of a declining disaster ceiling, the formula was amended in division O of the Consolidated Appropriations Act of 2018 (Public Law 115-141) to have the annual ceiling determined by adding three components: 1) the same 10-year average as before; 2) five percent of the discretionary amounts appropriated (net of any rescissions) to address Stafford Act disasters that were designated in statute as emergency requirements over the previous 10 years; and 3) the cumulative net total of any unused carryover in any prior fiscal year since 2018.<sup>2</sup> After BBEDCA caps ended in 2021, this same formula was utilized for a disaster relief allocation adjustment in the FY 2022 Congressional Budget Resolution (H.Con.Res. 14) and the FY 2023 deeming resolution in the House (H.Res. 1151). In each of those years, appropriations were enacted at the disaster relief ceilings that were determined to be \$18.9 billion in 2022 and \$20.1 billion in 2023.

The FRA amended BBEDCA to extend the applicability of the disaster adjustment for fiscal years 2024 and 2025. The FRA also modified the emergency component of the disaster formula by allowing it to count emergency requirements that were designated as such by the Congress in statute but not necessarily pursuant to BBEDCA. This change had the effect of

allowing Stafford emergencies that were enacted in fiscal years when BBEDCA caps were not in place – namely 2022 and 2023 – to be counted in the formula.

Section 254(e) of BBEDCA requires this sequestration update report to include a preview estimate of the adjustment for disaster funding for the upcoming year under the formula, in this case 2024. The first part of the calculation of the ceiling in 2024 is outlined in Table 4. The total budget authority appropriated for disaster relief over the 2014 through 2023 period, including appropriations in 2022 and 2023 when BBEDCA caps were not in place, is \$121.1 billion. The low value dropped is for 2014 (\$5.6 billion), and the high value dropped is for 2023 (\$20.9 billion). The average for 2024 is therefore \$11.9 billion.

The second part of the calculation requires the determination of the 2024 emergency adjustment funding that should be added to the average. Table 5 summarizes the amounts used for determining this adjustment. The amounts for 2012 through 2021 come from OMB’s prior discretionary update and final sequestration reports for 2021 that were released when BBEDCA caps were in place.<sup>3</sup> The 2022 amounts are from Stafford Act emergency requirements designated pursuant to congressional budget enforcement in two supplemental appropriations Acts: (1) \$7.1 billion provided in the Disaster Relief Supplemental Appropriations Act, 2022 (division B of Public Law 117-43) and (2) \$0.2 billion provided in IIJA. The 2023 amounts are for Stafford emergencies from three supplemental appropriations Acts: (1) \$2.0 billion provided in the Continuing Appropriations Act, 2023 (division A of Public Law 117-180); (2) \$8.5 billion provided in the Disaster Relief Supplemental Appropriations Act, 2023 (division N of Public Law 117-328); and (3) \$0.2 billion provided in IIJA. The 2024 emergency adjustment is determined by adding up the total budget authority designated since 2014 as emergency requirements for Stafford Act disasters, or \$169.6 billion, and taking five percent of that amount, or \$8.5 billion.

<sup>2</sup> For more information on the change enacted in the disaster formula and the methodology and criteria OMB used for estimating the emergency appropriations for Stafford Act disasters, please consult the OMB Report on Disaster Relief Funding to the Committees on Appropriations and the Budget of the U.S. House of Representatives and the Senate, 2018 that was released on April 23, 2018. The report is available on the OMB website: <https://www.whitehouse.gov/omb/legislative/omb-reports/>

<sup>3</sup> These reports are posted on OMB’s website (<https://www.whitehouse.gov/omb/legislative/sequestration-reports-orders/>).

**Table 4. SUMMARY OF AVERAGE FUNDING PROVIDED FOR DISASTER RELIEF FOR 2014 THROUGH 2023**

(Discretionary budget authority in millions of dollars)

Fiscal Year	Budget Authority
2014 .....	5,626
2015 .....	6,529
2016 .....	7,643
2017 .....	8,129
2018 .....	7,366
2019 .....	12,000
2020 .....	17,503
2021 .....	17,285
2022 .....	18,942
2023 .....	20,088

  

Average 2014–2023	
Total Budget Authority	121,111
Low (2014)	5,626
High (2023)	20,088
Average (dropping high/low)	11,925

  

Calculation of 2023 Carryover	
2023 Preview Estimate	20,088
2023 Enacted	20,088
2023 Carryover	.....

  

Calculation of 2024 Preview Estimate	
Average	11,925
2023 Carryover	.....
Emergency Adjustment (see Table 5)	8,479
<b>2024 Preview Estimate</b>	<b>20,404</b>

The third part of the calculation requires determining the amount of any unused carryover that should be applied to the ceiling. However, the Congress has provided appropriations in each year equal to the full amount of the allowable adjustment. Since the Congress provided the full amount, there is no net carryover from 2023 into 2024.

After accounting for each of the components of the adjustment for the preview estimate for disaster relief,

OMB calculates a funding ceiling in 2024 of \$20.4 billion – or \$20,404 million. This is the result of taking the average (\$11.9 billion) and adding the emergency adjustment for 2024 (\$8.5 billion) and the carryover from 2023 (\$0). This calculation is shown on Table 4. It is important to note that no actual adjustment to the caps will occur unless the Congress enacts appropriations that it specifically designates as being for disaster relief pursuant to BBEDCA.

**Table 5. SUMMARY OF FUNDING PROVIDED FOR DISASTERS DECLARED PURSUANT TO THE STAFFORD ACT AND DESIGNATED AS EMERGENCY, 2014-2023**

(Discretionary budget authority in millions of dollars)

Fiscal Year	Budget Authority	Five Percent
2014	.....	.....
2015	.....	.....
2016	.....	.....
2017	14,800	740
2018	88,821	4,441
2019	5,958	298
2020	40,000	2,000
2021	2,000	100
2022	7,300	365
2023	10,700	535

2024 Emergency Adjustment		
Total Budget Authority	169,579	
Five Percent	+8,479	

