

# BUDGET AND PROGRAM

NEWSLETTER

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Congress returned this past week.

First up in the House... was the reauthorization of the Foreign Intelligence Surveillance Act (FISA), which easily passed 273-147 after a year-long struggle to do so. A procedural vote to move it forward the day before fell short.

FISA grants spy agencies broad authority to collect electronic communication of terrorists & spies located outside the United States that transit thru U.S. technology companies.

In one change to placate portions of his caucus... the renewal of section 702 of FISA would expire in just two years instead of five as sought earlier by Speaker Mike Johnson (R-La) - along with other changes geared to safeguarding privacy.

A number of members - fear it ensnares an unknown number of private conversations among Americans - such as when they text or call a foreigner who is under surveillance, or other instances.

Unlike traditional FISA orders authorizing electronic surveillance... section 702 - "does not require the Foreign Intelligence Surveillance Court (FISC) to make probable-cause determinations with respect to individual targets of surveillance" but instead, according to one federal court - functions "as a form of programmatic preclearance."

An amendment barely failed (212-212), that would have required intelligence agencies to obtain a warrant each time they searched the name of a U.S. person in the FISA section 702 database. In some ways, its real-time use as an intelligence asset was up for a vote.

House Intelligence Committee chairman... said the U.S. would be "blind" to terror recruitment without it.

Ranking member of the same committee... called the changes it contains as "the most significant reforms to FISA since its creation in 1978."

Absent Hill approval, the legislation would expire this coming week.

It now heads to the Senate... where it is expected to pass.

Also in the pipeline... is the Senate-passed \$95B supplemental aid package for Ukraine/Israel/Taiwan.

Currently... Ukraine is struggling to hold its defensive lines as it deals with acute shortages of ammunition and air defense.

Due to lack of Republican support... any version Mr. Johnson brings up will likely need to be under suspension of the rules - which would require a 2/3rds super-majority.

Estimates... are that he may need as many as 200 Democrats.

But that figure is harder to reach than a month ago - as some have hardened their opposition following a recent Israeli airstrike that killed seven aid workers in Gaza from the World Central Kitchen. Projection is...that only 20 Democrats could be lost if a 2/3<sup>rd</sup> supermajority is to be attained.

Splitting the Ukraine bill from the package... has been mentioned as an alternative proposal, along with other revisions. Nothing concrete yet.

The FY 2024 Interior-Environment appropriation bill...is broken out on the next page, (in \$ millions).

The backdrop to it...is the massive impact of the Infrastructure Investment and Jobs Act, (enacted 11/2021).

It unleashed a torrent of emergency funding thru FY 2026...raining down a breathtaking \$67B on EPA, Interior (\$19.9B), Agriculture (\$15.5B) and HHS (\$3.5B).

These amounts don't appear in the table because they were enacted in FY 2022, as current and advance appropriations thru 2026.

Due to this...\$11.8B will flow from it to EPA this year - primarily to state & tribal grants - an amount that actually exceeds its enacted FY 2024 normal funding level, (\$9.2B).

IIJA impacts others within the measure - to a lesser extent.

In FY 2024 baseline funding...Dept of Interior inches \$41M higher to \$15.41B.

Within it...Bureau of Land Management slides 6% to \$1.26B. House report language notes "concern" over BLM's ability to fill positions at regional high-volume land offices. Recommends direct hiring while facing critical shortages. Also, within 180 days - to submit a report on the housing needs of BLM employees living/working in rural communities, with recommendations for improvements.

Of note...the conference report on this appropriation bill repeatedly references their earlier House committee report (118-155) and Senate committee report (118-83) - for compliance regarding further/more detailed explanatory directives, requirements, deadlines...that those under the jurisdiction of this bill are responsible for. Something to be aware of if this involves you.

Senate text...directs a briefing on in-person work and telework policies to clarify how operating under each impacts agency productivity/performance.

Nat'l Park Service...eases \$150M to \$3.3B (-4%).

NPS - "is expected" to execute its spending plan at the levels provided, and "may not" redistribute the allocations in a forthcoming FY 2024 operating plan.

Dept-wide...conferees direct Interior to consider including container aerial fire fighting systems "as well as other innovative wildfire technologies." R+D on this includes fire imaging; use of uncrewed aircraft; wildland detection cameras; aerial firefighting simulators using virtual reality; stratospheric balloon deployments in partnership with NASA (current pilot program); others.

Bureau of Indian Affairs...at \$2.5B (+\$16M).

Members...note that Indian reservations have violent crime rates that are over 2½ times the national average. They are concerned with the 30% vacancy rate among Bureau law enforcement personnel - with an over 50% vacancy rate in the Great Plains Region. Within one year...BIA is to complete a detailed plan on recruitment & training. Committee expects the Bureau to work with FLETC (Federal Law Enforcement Training Centers) to identify what funding mechanisms are authorized to be used in such circumstances.

EPA...down 10% to \$9.2B.

Staffing levels - "remain more than 2,000 below historical levels despite growing workloads . . ." FTE numbers to be reported 45 days after end of each qtr.

By June 1...EPA is directed to brief the Hill on updated FY 2024 related actions concerning PFAS "forever chemicals" that have been used for decades in commercial & industrial products.

By July 1...EPA is directed to submit an administrator priorities report that identifies how any FY 2021-FY 2023 funding was used - by account/program/project. Each activity funded "should include a justification" for the effort and result.

Forest Service - Dept of Agriculture, to \$8.4B (+18%) - is directed to coordinate with DOD to complete review of critical mineral projects supporting nat'l security. Report due within 120 days regarding this.

Department of the Interior, Environment and Related Agencies Appropriations Act, FY 2024  
(in \$ millions)

	<u>Enacted</u> <u>FY 2023</u>	<u>Request</u> <u>FY 2024</u>	<u>Approved</u> <u>FY 2024</u>
Grand total.....	52,749	45,981	41,327
Title I - Department of Interior.....	<u>15,100</u>	<u>17,684</u>	<u>15,141</u>
Bureau of Land Management	1,494	1,622	1,413
Management of lands & resources	1,338	1,453	1,262
Other	156	169	151
Fish and Wildlife Service.....	<u>1,773</u>	<u>2,092</u>	<u>1,723</u>
Resource management	1,556	1,854	1,520
Construction	30	51	19
Other	187	187	184
National Park Service.....	<u>3,475</u>	<u>3,764</u>	<u>3,325</u>
Operation of the Nat'l Park System	2,923	3,190	2,888
Nat'l recreation & preservation	93	95	91
Historic preservation fund	205	178	189
Construction	240	287	172
Centennial Challenge	15	15	12
Construction (rescissions)	0	0	-28
U.S. Geological Survey.....	<u>1,497</u>	<u>1,786</u>	<u>1,455</u>
Ecosystems	307	395	299
Energy and mineral resources	104	151	101
Natural hazards	200	226	199
Water resources	304	313	289
Special initiatives	2	0	5
Core science systems	285	369	273
Science support	106	134	105
Facilities	188	197	184
Bureau of Ocean Management.....	183	212	155
Bureau of Safety and Environmental Enforcement....	172	199	154
Office of Surface Mining Reclamation & Enforcement	290	302	279
Indian Affairs.....	<u>3,954</u>	<u>4,642</u>	<u>3,923</u>
Bureau of Indian Affairs	2,441	2,922	2,457
Bureau of Indian Education	1,401	1,611	1,366
Other	112	109	100
Departmental Offices	433	477	436
Wildland fire management w/cap adjustment	1,004	1,676	1,463
Other	825	912	815
Title II - Environmental Protection Agency.....	<u>10,135</u>	<u>12,083</u>	<u>9,159</u>
Science and technology	802	968	758
Environmental programs & management	3,286	4,511	3,178
Office of Inspector General	44	65	43
Hazardous Substance Superfund	1,283	356	538
Leaking Underground Storage Tank Trust Fund	93	109	89
State and tribal assistance grants	4,480	5,856	4,419
Water infrastructure finance program	76	80	72
Other	71	138	62
Title III - Related Agencies.....	<u>21,360</u>	<u>16,213</u>	<u>17,516</u>
Forest Service, Dept of Agriculture.....	7,074	9,731	8,373
HHS - Indian Health Service.....	12,088	4,140	6,962
HHS - NIH.....	168	169	161
Smithsonian Institute.....	1,145	1,241	1,091
Nat'l Foundation on the Arts & the Humanities...	414	422	414
Other	471	510	515
General provisions.....	0	0	-534
Other appropriations, disaster relief, P.L. 117-328	<u>6,154</u>	0	0
Dept of Interior.....	2,430	0	0
EPA.....	1,668	0	0
Agriculture, Forest Service.....	2,056	0	0

Six months into FY 2024...red ink stands at \$1.064 trillion, according to preliminary CBO estimates.

That is a slight improvement over year-ago levels. (+\$37B).

Here are the numbers, (in \$ billions):

	Actual FY 2023	Preliminary FY 2024	Estimated Change
Receipts.....	2,048	2,188	140
Outlays.....	<u>3,149</u>	<u>3,252</u>	<u>103</u>
Deficit.....	-1,101	-1,064	37

Net interest on the debt...jumps off the page or as the normally understated CBO observes - "rose substantially."

At \$440B (+43%) - it exceeds not only Medicare (\$403B) and Medicaid (\$304B), but also Department of Defense outlays (\$412B).

Prior to this year...such comparisons have never been seen before.

A real question going forward...is how does the U.S. budget absorb this enormous burden in unavoidable spending?

How fast have things accelerated?

Two years ago at this moment, net interest was half of today, (\$219B).

As for the full-year FY 2024 deficit projection...\$1.5T, according to CBO.

OMB...has released guidance on simplifying federal financial assistance.

In a nutshell - "more must be done to effectively communicate the breath of Federal programs - the availability of funding - and how to apply for and receive those benefits."

The revisions now put forth...are to be effective for all federal awards by Oct 1, 2024.

Tied to this...is the recently launched Federal Program Inventory by OMB - "a searchable tool about all domestic Federal financial assistance programs." Its purpose is to make it easier for applicants & potential recipients to find the relevant aid programs. Deadlines for specific information to enhance its reach are laid out. The first involves "assistance listings" - which agencies are to identify by June 1.

Underlying everything...is the burden of over nine billion paperwork hours "imposed" on the public annually.

As such...notices of funding availability (NOFOs) are to be redesigned to be more readable, with their "word counts" cut by 25%. A simplification plan to do so... is due at OMB by Aug 1.

OMB...is pounding the table on the use of plain language - (prefer the short word to the long is one of hundreds of examples) --- along with elimination of unnecessary provisions.

For all the details...OMB memorandum M-24-11.

In response to the sudden onset of Covid-19...the operating manner of federal departments/agencies was dramatically altered - on the fly.

A slew...of directives and executive orders came forth.

Within it...was the establishment of the Safer Federal Workforce Task Force.

Now in a final wind down - the White House has determined its existence is no longer necessary as the United States "has transitioned from an emergency response to a longer-term response to Covid-19 and pandemic preparedness in general."

Agencies...are now no longer responsible for maintaining Covid-19 workplace safety plans in accordance with their models.

However...you are responsible for maintaining/updating workforce safety plans - and are steered toward referring to guidance from CDC and OSHA.

It is OMB memorandum M-24-12.