



*Submitted by
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FY2004 Appropriations Update

With the House and Senate in its month long recess, Congressional action on the FY 2003 appropriations bills moved quickly during the month July. When the Congress reconvenes on September 2nd, the House will have two and the Senate eight FY2004 appropriations bills, out of thirteen annual spending bills, to pass before the end of FY2003 on September 30th. Here is a breakdown of appropriations action.

Agriculture—HR 2673 has passed the House; S 1427 is ready for consideration by the Senate.

Commerce-Justice-State — HR 2799 has been passed by the House.

Defense—Both HR 2658 and S 1382 have been passed by the House and Senate; Conference committee is next.

District of Columbia—House has passed its bill; Senate Committee markup was held on July 24th.

Energy and Water—Both HR 2754 and S 1424 have been passed by the House and Senate; Conference committee is next.

Foreign Operations—House has passed HR2800. The Senate bill is ready for consideration by the Senate.

Homeland Security—HR 2555 has been passed by the House and Senate; Conference committee is next.

Interior—HR 2691 has been passed by the House and S 1391 is on the Senate calendar.

Labor-Health and Human Services-Education—HR 2660 has been passed by the House and S 1356 is on the Senate calendar.

Legislative Branch—HR 2657 and S 1383 have been passed by the House and Senate; Conference committee is next.

Military Construction—HR 2559 and S 1357 have passed through the House and Senate; Conference committee is next.

Transportation and Treasury—Neither the House nor the Senate has acted.

VA-HUD—The House bill is on the House calendar.

Once again, as was the case with the FY2003 appropriations process, look for the House to attempt to implement reconciliation. Earlier this year, as the Congress was wrapping up the current year appropriations process, reconciliation instructions were issued in the House to find savings, and included \$9.7 billion for Labor-HHS-Education. Had these instructions been implemented, most, if not all, of this savings would have come from the student loan programs, and primarily from the FFELP. This was avoided because the proposed tax cut requested by the administration was cut in half.

For 2004, with the continued sluggish economy, projected \$450-500 billion federal budget deficits for 2003 and 2004, increased costs of the war on terrorism, and push for additional tax cuts, budget reconciliation is even more of a possibility this time around.