

A Budget Update on Energy and Agriculture Funding

Congress Approves 2013 Continuing Resolution

On March 21, 2013 Congress passed [H.R. 933](#), which funds the federal government through FY 2013 (Sept. 30, 2013). The measure provides full-year appropriations for five of 12 appropriations bills including Defense-Military Construction-Veterans Affairs, Agriculture, Homeland Security and Commerce-Justice-Science and finances the rest of the government through a continuing resolution (CR) based on FY 2012 funding levels minus the across-the-board sequester reductions. The total bill provides \$984 billion in funding, which is a decline of nearly \$60 billion from FY 2012 levels when total discretionary spending was \$1.043 trillion.

USDA Receives an Updated Budget and Additional Funding for Meat Inspections

The Agriculture appropriations bill provides full-year funding for United States Department of Agriculture (USDA) programs. The commodity assistance program is funded at \$248 million, although the sequester reduces this to \$244 million, which is still \$2 million above the FY 2012 level. The bill also provides \$65.5 million for the Emergency Watershed Protection (EWP) program to address watersheds damaged by wildfires and drought. In addition to funding USDA programs, the CR also includes a provision, adopted as an amendment, to prevent the furloughing of meat inspectors. The provision transfers \$55 million from funding for school equipment grants to the Food Safety and Inspection Services (FSIS) in order to fund meat inspectors. Without this funding, USDA had [previously announced](#) that all meat inspectors would have been furloughed for one day a week, totaling 11 days, in order to make up for the automatic budget reductions from sequestration.

Energy Department Impacted by Sequester Budget Reductions

H.R. 933 continued funding for the Department of Energy (DOE) at FY 2012 levels minus the across-the-board sequestration reductions. Of these reductions, \$11 million came from the Office of Energy Efficiency and Renewable Energy which reflects a \$3 million reduction from the Weatherization Assistance Program and a \$3 million reduction from the State Energy Program. Additionally, both the Office of Nuclear Energy and the Advanced Research Projects Agency – Energy (ARPA-E) incurred a \$10 million reduction while the Office of Science had its budget reduced by \$13 million. Energy related programs were also reduced in the budgets of the Department of Defense, Department of Interior and the Environmental Protection Agency.

House and Senate Pass FY 2014 Budget Plans

On March 21, the U.S. House of Representatives passed its non-binding [FY 2014 Budget Resolution](#). With regard to the energy sector the House plan reduces energy budget authority by \$1.2 billion, including the Department of Energy's loan guarantee program, opens federal land including the Outer Continental Shelf to oil and gas drilling and requires construction of the Keystone XL pipeline. With regard to agriculture funding, the plan also aims to save \$31.1 billion over the next 10 years through changes to commodity programs and reduce conservation program funding by \$18 billion.

On March 23 the Senate passed its [FY 2014 Budget Resolution](#) after a marathon of non-binding amendment votes. This is the first time in four years that the Senate has passed a budget. The Senate budget would increase environmental and clean energy spending as well as funding for

the Department of Energy's energy efficiency programs. The Senate also passed a bipartisan amendment, 62-37, approving the construction of the Keystone XL. The Senate also approved amendments to increase funding for the Advanced Research Projects Agency-Energy (ARPA-E) and to provide funding for low-income weatherization and energy efficiency programs.

The Senate plan also includes \$23 billion in reductions to agriculture spending through reforming agriculture programs while maintaining the insurance "safety net" programs for farmers and ranchers. These reductions are nearly identical to those offered in the 2012 Farm Bill that was approved by the Senate Agriculture Committee. FY 2014 begins on Oct. 1, 2013.

What's Next?

Now that both the House and Senate approved their respective FY 2014 budget resolutions, the appropriations committees in both chambers will move to begin approving the 12 individual appropriations bills that make up a full budget before the beginning of FY 2014, on Oct. 1, 2013. Based on the experience of the past few years, approving all 12 bills is unlikely, especially given the differences between the two budget resolutions. Should Congress fail to pass all 12 appropriations measures, they would need to approve a continuing resolution to fund the federal government at current levels and avoid a shutdown.

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