



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FOR IMMEDIATE RELEASE
August 9, 2002

2002-57

\$14 Billion of Emergency Response Fund Still Unobligated, Says New OMB Report

Only 66% of all available funds and 54% of non-DOD funds obligated as of June 30

Washington, DC- With only three months remaining in the fiscal year, federal agencies had yet to obligate \$14 billion of the \$40 billion Emergency Response Fund Appropriations, according to a new OMB report released to Congress today. A copy of the report is available on the OMB website at www.omb.gov.

Historic trends would indicate that current funding levels are sufficient to cover agencies for the remaining weeks of the fiscal year. Congress appropriated \$40 billion to the Emergency Response Fund to fund the government's response to the September 11th terrorist attacks. As of June 30th only \$25.8 billion or 66 percent of the total had been used. The Departments of Agriculture, Education, and Labor have all obligated less than one-third of available funds.

The Department of Defense (DOD) and the Transportation Security Administration (TSA) are among the few agencies likely to fully obligate available funds. DOD had obligated 81% of available funds, but had another \$3.4 billion in pending contracts and therefore is expected to have fully obligated all funds by the end of July. TSA's costs are accelerating as it adds staff and acquires additional equipment necessary for airport security functions. Both DOD and TSA received additional appropriations in the recently-enacted 2002 Supplemental Appropriations Bill.

The amount of non-defense funds reportedly obligated – 54 percent – can be considered an overstatement, since not all funds provided to New York and Washington, DC, have been used by these jurisdictions. Less than 10 percent of the \$2.7 billion CDBG grant to New York has been used. Less than 50 percent of the \$206 million provided to Washington, DC have been used. Adjusting for these programs, only 42 percent of the non-defense funding had been obligated by June 30th.

Submitted in accordance with the FY 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks in the United States (P.L. 107-38), this is the third quarterly report on the use of Emergency Response Fund Appropriations. The obligations reported cover the period of September 18, 2001, through June 30, 2002.

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