



Highlights of [GAO-08-314](#), a report to the Ranking Member, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Supplemental appropriations laws (supplementals) are a tool for policymakers to address needs that arise after the fiscal year has begun. Supplementals provide important and necessary flexibility but some have questioned whether supplementals are used just to meet the needs of unforeseen events or whether they also include funding for activities that could be covered in regular appropriations acts. GAO was asked to evaluate (1) trends in supplemental appropriations enacted from fiscal years 1997–2006 and (2) steps that could be taken to increase transparency and establish additional controls over emergency supplemental appropriations. Also, GAO consulted with budget experts to discuss options for reform.

What GAO Recommends

To increase transparency and provide additional controls over the use of supplementals, Congress should consider establishing procedures and mechanisms to ensure that: (1) emergency-designated provisions meet established criteria, (2) emergency supplementals do not become the vehicle for items that do not require the rapid enactment demanded to respond to an emergency event, (3) supplementals are not used where the regular budget and appropriations process should suffice, and (4) a balance exists between flexibility and oversight with regard to the time availability of funds.

To view the full product, including the scope and methodology, click on [GAO-08-314](#). For more information, contact Susan J. Irving, 202-512-9142, irvings@gao.gov.

SUPPLEMENTAL APPROPRIATIONS

Opportunities Exist to Increase Transparency and Provide Additional Controls

What GAO Found

The use of supplementals has increased over the last several years, largely as a result of an increase in Department of Defense (DOD) funding and the use of supplementals to provide that funding for activities such as the Global War on Terrorism (GWOT). Over the 10-year period from fiscal year 1997 through fiscal year 2006, supplemental appropriations provided about \$612 billion (\$557 billion net of rescissions) in new gross budget authority, a five-fold increase over the previous 10-year period. Ninety-five percent of the total supplemental funds were appropriated to 11 departments, with DOD receiving nearly 60 percent of the total. Further, an analysis of the type of emergency prompting the need for the supplemental shows that defense-related emergencies received over 50 percent of the emergency-designated funds. In comparison, 28 percent was to respond to natural or economic disasters and 16 percent went to antiterror, security, and post-9/11 activities. International humanitarian assistance, pandemic influenza, and other activities comprised 3 percent of the total emergency-designated supplemental funds provided over the 10-year period.

The majority of the supplemental funds appropriated over this 10-year period were designated as emergency. Emergency-designated funds do not have to compete for scarce resources that are constrained by budget controls. Although Congress has specified criteria for the emergency designation in Budget Resolutions, these criteria are not self-executing and there are limited screening and enforcement processes.

The increased use of supplementals raises questions about the current incentives and controls surrounding their use. GAO reviewed emergency-designated supplementals and found provisions that were not clearly consistent with emergency designation criteria or did not contain sufficient information for us to make a determination. Also, GAO identified provisions that raise questions about whether supplemental appropriations bills can become vehicles for funding some activities that could be covered in the regular budget and appropriations process. For example, we found \$710 million in emergency-designated provisions that appeared to be unrelated to the event/issue(s) that may have prompted the supplemental. In addition, we found that 35 accounts received supplemental appropriations in at least 6 of the 10 years studied, totaling over \$375 billion. Twenty-one of these accounts were in DOD and the gross budget authority granted to these 21 accounts (\$258 billion) comprised over 40 percent of the total gross budget authority in the supplemental appropriations enacted over the studied period. Finally, over one-third of the supplemental appropriations enacted were available until expended (“no-year” funds). Such no-year funds provide agencies with important flexibility but do not prompt the annual or periodic Congressional oversight typical of funds that are available for a fixed amount of time. If the use of supplemental appropriations is to be limited to addressing unforeseen needs that arise suddenly after the start of a fiscal year, additional controls and increased transparency are needed. Budget experts GAO consulted generally agreed reform was needed but differed on how best to achieve this.