



THE DIRECTOR

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

September 30, 2004

BULLETIN NO. 04-05

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Apportionment of the Continuing Resolution(s) for Fiscal Year 2005

1. Purpose and Background. H.J. Res. 107 (continuing resolution) will provide continuing appropriations for the period October 1 through November 20, 2004. I am providing an automatic apportionment for amounts provided by this continuing resolution (CR) as specified in section 2. This Bulletin supplements instructions for apportionment of CRs in OMB Circular No. A-11, section 123, and applies to this CR and any extensions of this CR.

2. Automatic Apportionments. Calculate the amount automatically apportioned through the period ending November 20th (and any extensions of that period) by multiplying the rate (amount) provided by the CR by the lower of:

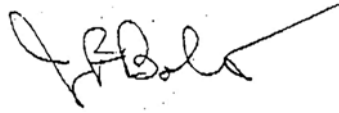
- the percentage of the year covered by the CR (e.g., for H.J. Res. 107 use 13.97 percent), or
- the historical seasonal rate of obligations for the period of the year covered by the CR.

See Attachments A and B to this Bulletin for more detailed instructions on calculating the amount provided by the CR and the amount automatically apportioned. Sec. 111 of the CR requires that the resolution be implemented so that only the most limited funding action permitted in the CR is taken. The Administration has interpreted this section to mandate that agencies in general spend at a minimum level, so as not to infringe upon the prerogative of Congress to set full-year funding levels. Funding apportioned under the CR excludes one-time, non-recurring projects and activities that were funded in FY 2004, which includes most projects and activities funded by FY 2004 supplemental appropriations. The only FY 2004 supplemental projects and activities that may be factored into the "not to exceed current rate" can be found in *Attachment B*.

Under an automatic apportionment, all of the footnotes and conditions placed on the prior year apportionment remain in effect.

H.J. Res. 107 expires at midnight on Saturday, November 20, 2004.

3. Written Apportionments. If a program requires an amount different from the total amount automatically apportioned, you must request a written apportionment from OMB. Once a written apportionment is approved, the terms and conditions of the automatic apportionment bulletin cease to apply.

A handwritten signature in black ink, appearing to read 'J. Bolten', with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

Attachments

Attachment A

Calculating the Amount Made Available by the CR and the Automatic Apportionment

Calculate the amount automatically apportioned (whole dollars) through the period ending November 20, 2004, (and any extensions of that period) by multiplying the **rate (amount) provided by the CR** by the lower of:

- the **percentage of the year** covered by the CR (rounded to the nearest hundredth); (for a seven-week CR, use $51 \text{ days}/365 \text{ days}=13.97\%$); or
- the **historical seasonal rate** of obligations for the period of the year covered by the CR.

1. **What is the rate (annualized, full-year amount) provided by the continuing resolution (CR)? The rate (full-year amount) provided by the CR for all accounts is the rate of operations not exceeding the current rate, calculated as follows:**

- ▶ take the net amount enacted in FY 2004, i.e., add only the supplemental appropriations amounts listed in *Attachment B* of OMB Bulletin 04-05; subtract any rescissions (e.g., across-the-board reductions), and factor in transfers mandated by law;
- ▶ add the unobligated balance (including those for emergencies) *carried forward* to FY 2004 start-of-year (SOY), if any; and
- ▶ subtract the unobligated balance (including those for emergencies) *at the end* of FY 2004 end of year (EOY), if any.

2. **Which estimates of FY 2004 (EOY) unobligated balances should agencies use in the calculation?** Agencies are required to use current estimates of FY 2004 (EOY) unobligated balances. You can adjust the unobligated balances with the following conditions:

- ▶ FY 2004 SOY unobligated balances: Use the amount shown on the most recent FY 2004 apportionment/reapportionment. This would be shown on line 2a ("Unobligated balance: brought forward, October 1 (actual)") of the SF 132/letter apportionment.
- ▶ FY 2004 EOY unobligated balances: Again, you must use the most recently approved apportionment. For the majority of the accounts, this should be the FY 2005 initial apportionment.
- ▶ You may request OMB to apportion the revised estimates of unobligated balances, SOY FY 2005, and if apportioned by OMB, you may use the revised amounts to calculate the amount available under the CR.

3. **How should mandatory appropriations and balances be treated?** A continuing resolution is an appropriations bill. As such, it normally does not affect mandatory appropriations provided in substantive or authorizing legislation. Therefore, for accounts with a mix of discretionary and mandatory appropriations, take the mandatory component out before calculating the amount provided by the CR. This includes both the budget authority and unobligated balances.
4. **What is the amount of the automatic apportionment under a CR?** Multiply the rate (annualized, full-year amount) provided by the CR (see note 1) by:
 - ▶ The percentage of the year covered by the CR (rounded to the nearest hundredth); or
 - ▶ The historical seasonal rate of obligations for the period of the year covered by the CR;
 - ▶ The lower number will be the amount automatically apportioned.
5. **Are entitlement and other mandatory payments whose budget authority was provided in Appropriations Acts for fiscal year 2004 continued at the FY 2004 level or FY 2005 program level?**

Sec. 126 of H.J. Res. 107 allows entitlements and other mandatory payments whose BA was provided in Appropriations Acts for FY 2004 to continue at the "rate to maintain program levels under current law, under the authority and conditions provided in the applicable appropriations Act for fiscal year 2004, etc." In other words, these programs can operate at the FY 2005 level but the appropriated administrative expenses associated with these programs must be based on the FY 2004 levels.

**FY 2004 Supplemental Projects and Activities (recurring) to be Included in Determination
of Current Rate Amounts Provided by the Continuing Resolution¹**

<u>Agency/Account</u>	<u>FY 2004 BA</u> (millions of dollars)
<u>Department of Energy</u>	
Other Defense Activities.....	3
<u>Department of Homeland Security</u>	
U.S. Coast Guard.....	80
<u>International Security Assistance</u>	
Economic Support Fund.....	672
Foreign Military Financing Program.....	287
Peacekeeping Operations.....	20
Non-Proliferation, Antiterrorism, Demining & Related Programs.....	35
Migration and Refugee Assistance.....	25
<u>Department of Justice</u>	
FBI, Salaries and Expenses.....	15
<u>Department of State</u>	
Contributions for International Peacekeeping	245
International Narcotics Control and Law Enforcement.....	170
<u>United States Agency for International Development</u>	
International Disaster and Famine Assistance.....	70

¹ This list, compiled by OMB, excludes one-time, non-recurring projects and activities funded in FY 2004 Supplemental Appropriation Acts, including the FY 2004 Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan (P.L. 108-106), Title X of the FY 2005 Department of Defense Appropriations Act (P.L. 108-287), and the Emergency Supplemental Appropriations for Disaster Relief Act, 2004 (P.L. 108-303).