

**SHORELINES – March 2003**  
**As presented to the Island Review Magazine.**

**Federal Appropriations**

We were hoping that the Senate and House of Representatives would have reconciled their differences and the President would have signed the outstanding spending bills into law before his January 28<sup>th</sup> State of the Union address. This would essentially conclude a very peculiar Federal fiscal year (FY) appropriation process. However, the President's State of the Union address has come and gone, we appear no closer to having a budget for FY 03, and most of the government is operating under a continuing resolution. Sounds confusing? What exactly are we discussing here? When does the fiscal year start? And how in the world does this have anything to do with our beach? All of these are good questions that we'll try to answer this month.

An appropriation bill is simply legislation that provides funding for authorized programs, hence the term "money bill". As we are all aware, many of our beach Projects involve cost share agreements with the Federal government that in theory, provides funding every year to the U.S. Army Corps of Engineers that is specifically earmarked for our projects. Whoever coined the phrase "nothing in life is certain" must have had the Federal appropriation process on his or her mind. Although Congress must pass 13 appropriation bills every year to keep the government in operation, there are no guarantees to the level of funding that will be contained in these bills for beach restoration projects throughout the Country. Some projects may receive no funding at all, others only half of what they were expecting, and in some cases a full appropriation is received. The budget priorities for domestic spending this year are even more precarious with the possible military action in Iraq, homeland security, and other war on terror concerns.

For this fiscal year (FY 03), only 2 of the 13 appropriation bills have been signed into law by the President. Don't forget that the President can veto a bill from Congress if he wishes. Unfortunately, the appropriation bill that would include funding for beach projects called the Energy and Water Development Appropriations Bill, has yet to be formulated by Congress and signed into law.

So where are we in this process for FY 03? Actually, the Federal fiscal year started over 4 months ago and we're still trying to pass a budget! Unlike most local and State governments that operate under a July 1<sup>st</sup> to June 30<sup>th</sup> fiscal year timeframe, the Federal government's fiscal year runs from October 1<sup>st</sup> to September 30<sup>th</sup>. So, locally we're in FY 02-03 (July 1, 2002 to June 30, 2003), but from a Federal perspective we're in FY 03 (October 1, 2002 to September 30, 2003).

How can the Federal government operate without a full budget? Easy, Congress can pass temporary spending bills called continuing resolutions to keep the government in operation. And that's precisely how the government has been operating since October 1<sup>st</sup>. Rumors from Capitol Hill actually have Congress passing one "mega-bill" that would roll the outstanding appropriation bills into a single omnibus bill. This could occur by the end of February. Oddly enough the President could very possibly release his budget for FY 04 (October 1, 2003 to September 30, 2004) the first week in February before the complete budget for FY 03 has even been passed! Peculiar to say the least.

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Usually, bills (appropriations for our case) are enacted into law following what most describe as an 11-step sequence. We won't discuss these steps here, but in practical terms we can condense this 11-step process as; (a) the President releases his budget in early February for the upcoming fiscal year that outlines his expectations, (b) the House develops their own version of an Energy and Water Development Appropriations and other bills, (c) the Senate also develops a version of their own, (d) a joint House-Senate conference committee rectifies the differences between these two legislative bodies in a conference report which is forwarded to the President, and (e) the President usually signs the bill that becomes public law. Remember all of this law making should occur before October 1<sup>st</sup>.

Obviously, the process for FY 03 has been delayed. The reasons for this are extremely complex, but differing views of national priorities, the elections this past November, and the associated changes in perspectives and committees that generate the bills have contributed greatly to this delay. Let's hope the FY 04 budget process runs a little smoother than FY 03. With any luck, the Federal government will finalize the FY 03 budget and we will be able to report what level of funding was appropriated for our Shore Protection Project Feasibility and Section 933 Studies in next month's *Shorelines* article.