

PROPOSED OFFSETS FOR SUPPLEMENTAL HURRICANE FUNDING

Emergency-Designated Proposed Cancellations

Agency	Account	Amount	Explanation
Department of Agriculture	Emergency Conservation Activities, Emergency Watershed Protection Program	\$204,000,000	Of the \$204 million in balances available in the Emergency Watershed Protection Program, \$104 million relates to funding provided in response to Hurricane Sandy. An additional \$100 million, approximately, in miscellaneous emergency funding is included, which was provided in response to specific disasters occurring in specific years and is no longer needed for emergency response and recovery efforts as previously provided.
Department of Energy	Advanced Technology Vehicle Manufacturing Loan Program	\$4,333,499,813	Since the Advanced Technology Vehicle Manufacturing program's inception in 2007, only five loans have been closed under this authority. Since 2011, no new loans have closed. Efforts to increase the attractiveness of the program to potential borrowers have not yielded increased loan activity. While solicitations for new loan applications are currently open, based on the low level of past and current loan activity, it is unlikely any funds will be obligated in the near-term. The 2018 Budget also proposes to cancel all remaining appropriated credit subsidy for this program. The Senate mark does not include this rescission but the House cancels \$1,966 million of these balances.
Department of Energy	Title XVII Innovative Technology Loan Guarantee Program	\$479,428,967	ARRA provided \$2.5 billion in credit subsidy for a temporary loan guarantee program (Sec. 1705). The authority to make obligations for new loan guarantees expired in 2011. Sec. 1306 of the Dodd-Frank Act (Pub.L. 111-203) rescinded all unobligated ARRA balances as of December 31, 2012. At that time, a Presidential waiver retained \$96 million of the Title 17 ARRA balances for future potential modification costs related to management of the Sec. 1705 loan portfolio. Due to recoveries of prior year obligations, \$383 million in unobligated ARRA balances has accumulated in the account since December 31, 2012.
Department of Labor	Training and Employment Services, Recovery Act	All available amounts, estimated to be: \$22,913,265	The Health National Emergency Grants (NEGs) were authorized under the American Reinvestment and Recovery Act to help states implement the Health Coverage Tax Credit (HCTC) for Trade Adjustment Assistance recipients. There are two types of HCTC NEGs: infrastructure and Gapfiller. Infrastructure NEG funds can be used to help states establish the systems and procedures needed to make healthcare benefits available for eligible individuals. Gapfiller NEGs can be used to provide assistance and support services, including qualifying health insurance coverage, transportation, child care, dependent care and income assistance, to eligible individuals waiting to receive payments through the HCTC. The initial HCTC authorization expired on January 1, 2014, but was reinstated in 2015. Since the HCTC program was reinstated, the Department of Labor has only distributed \$1.4 million in Health NEGs and has no plans for the remaining funds.
Corps of Engineers—Civil	Operation and Maintenance	\$210,000,000	While the 2018 Budget assumed these funds would be spent in fiscal year 2018, the Corps of Engineers has now identified these funds as excess. They were appropriated to restore Federally-owned projects damaged by Hurricane Sandy; that work has been completed, so these funds are no longer necessary.
Corps of Engineers—Civil	Flood Control and Coastal Emergencies	\$519,765,385	
Estimated Total, Emergency-Designated Cancellations:		\$5,769,607,430	

All Other Proposed Cancellations

Agency	Account	Amount	Explanation
Department of Agriculture	Agriculture Research Service, Buildings and Facilities	\$212,000,000	This account provides funds for the modernization of equipment or facilities for the Agricultural Research Service. Funding for modernization efforts can be delayed while still supporting the agency's core mission. The 2018 Budget proposed to cancel \$212 million.
Department of Agriculture	Rural Economic Development Grants	\$196,000,000	The spending authority for this account is intergovernmental interest earned on a monthly basis on loan deposits (held in escrow) from rural electric and telecom borrowers. The 2018 Budget proposed to cancel \$176 million; the current House and Senate 2018 bills both propose to cancel \$196 million.
Department of Agriculture	Rural Business Program	\$25,000,000	This account funds direct and guaranteed business and industry loans, and rural business development grants. Available funding is from cancelled prior-year obligations. The 2018 Budget proposed to cancel \$25 million.
Department of Agriculture	Rural Electrification and Telecommunication Program	\$8,000,000	The balances are for the Rural Energy Savings Program, which provides zero interest loans to rural utilities for energy efficiency programs. This funding is available due to low demand. The Senate proposes to cancel \$8 million in its mark; the House does not.
Department of Agriculture	Animal and Plant Health Inspection Service	\$72,000,000	The Animal and Plant Health Inspection Service carried over available unobligated balances into fiscal year 2018 from their emergency preparedness funds (\$16 million), animal health programs (\$26 million), plant health programs (\$30 million).
Department of Agriculture	Watershed and Flood Prevention Operations	\$90,000,000	There are approximately \$90 million in discretionary balances available in the Watershed and Flood Prevention Operations account that were provided for non-emergency purposes. These funds would not impact existing contracts and are available for offset.
Department of Agriculture	Farm Security and Rural Investment	\$1,419,000,000	Of the unobligated balances available for mandatory conservation programs, \$1,419 million is associated with funding provided in prior years for program enrollment, including approximately \$400 million to service legacy contracts for programs repealed as part of the 2014 Farm Bill, \$230 million in balances carried forward for the Conservation Stewardship Program, and approximately \$551 million set aside for potential future agreements under the Regional Conservation Partnership Program.
Department of Agriculture	Special Supplemental Nutrition Program for Women, Infants, and Children	\$800,000,000	The 2018 House and Senate marks include \$600 million and \$800 million rescissions, respectively. The unobligated balances are due to lower than projected costs.
Department of Education	Student Financial Assistance	\$3,900,000,000	The House and Senate have marked this 2018 Budget cancellation at \$3,271 million and \$2,600 million respectively. This \$3,900 million cancellation reflects the 2018 Budget request and is not in addition to that amount. Unobligated balances in the Student Financial Assistance account would support Pell Grant program costs in future award years; students will receive the full maximum award for which they are eligible in 2018.

All Other Proposed Cancellations

Agency	Account	Amount	Explanation
Department of Health and Human Services	Non-recurring Expenses Fund	\$560,000,000	This 2018 Budget cancellation is marked in the House and Senate at \$560 million. The Non-recurring Expenses Fund is a no-year account that receives transfers of expired unobligated balances from discretionary accounts prior to cancellation. The Fund is used for capital acquisition, including facilities infrastructure and information technology infrastructure.
Department of Justice	Working Capital Fund	\$410,000,000	This 2018 Budget cancellation is marked at \$410 million and \$400 million in the House and Senate respectively. The Working Capital Fund finances, on a reimbursable basis, those administrative services that can be performed more efficiently at the Department level.
Department of State	Democracy Fund	\$99,000,000	The Democracy Fund account funds democracy programs carried out by the Department of State and U.S. Agency for International Development. The account customarily does not obligate funds until the second year. The FY 2018 Budget requested \$112 million of Democracy Funds under the Economic Support and Development Fund (ESDF) account. As such, the Administration does not believe that any more than \$112 million is needed in FY 2017, which would free up \$99 million of the current balances as a possible offset.
Department of Transportation	Federal-Aid Highways	\$1,000,000,000	Federal-Aid Highways funds have a four year period of availability that allows States flexibility in long term planning for transportation infrastructure projects. This proposal rescinds contract authority of prior years that states have not yet obligated and which are above the obligation limitation. However, states will continue to have sufficient Federal Aid balances to meet their construction plans for 2018.
Environmental Protection Agency	State and Tribal Assistance Grants (STAG)	\$150,000,000	A \$200 million cancellation within this account was proposed in the 2018 President's Budget. The 2018 House Appropriations Bill proposes to cancel \$60 million from this account. This appropriation supports EPA programs by providing grants to State and Tribal partners that fund the implementation programs to protect human health and the environment. The STAG account has significant carryover due to a late 2017 final appropriations and EPA, resulting in EPA being unable to obligate all of the grants within fiscal year 2017.
Environmental Protection Agency	Environmental Programs and Management (EPM)	\$100,000,000	The 2018 President's Budget proposes a \$100 million cancellation within this account. The 2018 House Appropriations bill proposes to cancel \$41 million from this account. EPA has been unable to fully staff up to their staffing caps, resulting in carryover that was allocated as pay in the fiscal year 2017 operating plan. EPA has also not yet been able to obligate all of the 2017 nonpay appropriations due to a late 2017 omnibus. This EPM appropriation includes funds for salaries, travel, contracts, grants, and cooperative agreements for pollution abatement, control, and compliance activities and administrative activities of the operating programs, including activities under the Working Capital Fund. This appropriation supports the operation and management of core agency programs that implement environmental statutes.
Estimated Total, All Other Cancellations:		\$9,041,000,000	
Total: Emergency Designated and All Other Cancellations:		\$14,810,607,430	

Extend Nondefense Joint Committee Sequestration

Agency	Account	Amount	Explanation
Nondefense, non-exempt budget accounts and programs		\$44,422,000,000	The 2018 Budget proposed to extend the Joint Committee sequestration, pursuant to 251A of the Balanced Budget and Emergency Deficit Control Act, as amended, for an additional two years. Extending mandatory sequestration is estimated to result in net savings of \$44,422 million in budget authority and \$39,374 million in outlays over the 2025 to 2027 window.
Total, All Proposed Offsets to Hurricane Supplemental Funding:		\$59,232,607,430	