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Farm Bill Primer: Programs Without Baseline Beyond FY2024

The one-year farm bill extension during FY2024 (P.L. 118-22, Division B, §102) provided \$177 million of mandatory funding to 19 of the 21 programs without a budget baseline in the 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334; **Figure 1**). Programs that receive mandatory funding do not require annual discretionary appropriations. These 21 programs had received \$906 million of mandatory funding during the five years of the 2018 farm bill.

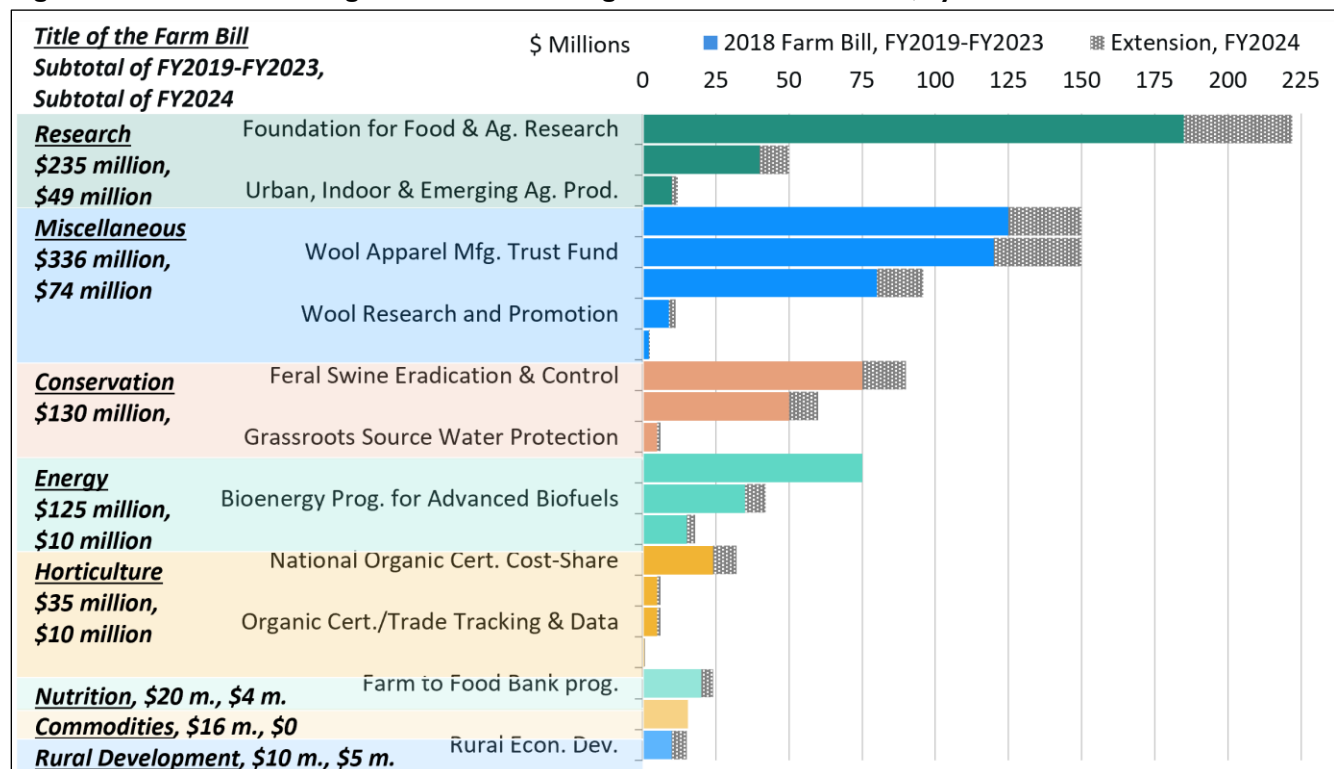
From a budgetary perspective, many farm bill programs that receive mandatory funding are assumed to continue beyond the end of their authorization. That is, they have a continuing *baseline* beyond the end of a farm bill, which gives them built-in future funding if Congress decides that the programs are to continue. If the programs are not continued, the baseline can be reallocated or used as an offset for deficit reduction. If *farm bill programs without baseline* are continued, reauthorizing would then result in a positive score (cost) and would need to be offset by reductions elsewhere for the bill to remain budget neutral.

Why Some Programs Have Baseline, Others Not

Under budget rules, a program with mandatory spending authority in the last year of its authorization generally may be assumed to continue as if it did not expire and have baseline (2 U.S.C. §907(b)(2)), as explained by the Congressional Budget Office (CBO) in the annual *Budget and Economic Outlook*. This is the case for long-standing farm bill programs. Some of the newer, smaller farm bill programs do not continue in the baseline because the authorizing and budget committees did not provide them a baseline to continue.

CBO projects future government spending in its official budget baselines but has not published a list of expiring farm bill programs without a continuing baseline. To compile this list, CRS analyzed the CBO score of the 2018 farm bill, current CBO baseline projections, the statutory text of the farm bill, and the text of the extension act, looking for programs that received mandatory funding but do not have baseline for reauthorization (**Figure 1**).

Figure 1. 2018 Farm Bill Programs Without a Budget Baseline After FY2024, by Title



Source: CRS analysis of P.L. 115-334, P.L. 118-22, and CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill*, Table 3.

Notes: Programs in P.L. 115-334 are identified as having mandatory budgetary outlays during FY2019-FY2023 but no budget authority beyond FY2023. P.L. 118-22, Division B, §102 provides funding for most programs without baseline during the one-year extension.

Types of Programs Affected

Twenty-one programs across eight of the twelve titles of the 2018 farm bill do not have a baseline, according to CRS analysis. They received \$906 million of mandatory spending authority at enactment of the 2018 farm bill (the colored bars in **Figure 1**). This was less than 0.3% of \$428 billion total mandatory spending projected for all farm bill programs over FY2019-FY2023.

While the subset is small over the entire farm bill, the impact varies by title of the bill. For example, the single program in the rural development title receiving mandatory funding is affected. No programs in the trade, credit, forestry, or crop insurance titles are affected. For the research title, 34% of mandatory funding for the title is affected. By comparison, less than 0.1% of funding in the farm commodities and nutrition titles are affected.

Some provisions exist within programs with a baseline but nonetheless result in a cost to reauthorize. The Transition Incentive Program within the Conservation Reserve Program, which was excluded from the farm bill extension, is an example. These are not included in this analysis.

Extension Provides Funding with a Budget Offset

The farm bill extension for FY2024 (P.L. 118-22, Division B, §102) provides one year of mandatory funding to 19 of the 21 programs without baseline (\$177 million; the gray hatched bars in **Figure 1**). Included programs generally receive one-fifth of their five-year allocation that was in the 2018 farm bill. These programs remain without baseline beyond the extension and will expire at the end of FY2024.

Two of the programs that did not receive additional funding in the extension are Program Implementation funding in the commodity title (a one-time supplement in 2019) and the Biorefinery Assistance program in the energy title. The extension fully offset the mandatory funding provided to the 19 programs by rescinding unobligated balances in the Biorefinery Assistance account (\$177 million) remaining from the 2014 and 2018 farm bills. Even after rescission, the Biorefinery Assistance program—a loan guarantee program that has operated at low cost during the low interest rate environment of the last decade—may retain sufficient funding to operate during FY2024.

Comparison with Past Farm Bills

Farm bill programs without a budget baseline have been an issue since the 2008 farm bill. As Congress considers the next farm bill, fewer programs without a budget baseline exist than during previous farm bill debates (**Table 1**).

During past reauthorizations, some affected programs received mandatory funding during the farm bill but not permanent baseline. In other cases, programs received permanent baseline during reauthorization by consolidating them into a larger umbrella program to exceed a \$50 million scoring threshold, which required extra funding in the 10-year score.

- Of the 37 programs with no baseline after the 2008 farm bill expired, the 2014 farm bill provided 29 of the programs with \$6.2 billion over FY2014-FY2018.

- Of the 39 programs with no baseline after the 2014 farm bill expired, the 2018 farm bill provided 23 of the programs with \$1.6 billion over FY2019-FY2023; nine of which received permanent baseline, costing an additional \$1.5 billion over FY2024-FY2028.

Table 1. Time Series of Programs Without Baseline Receiving Mandatory Funding

Farm Bill	Programs	Expiration	\$million ^a
2008 farm bill	37	FY2012	\$9,131 ^b
2013 extension	0	—	\$0
2014 farm bill	39	FY2018	\$2,824
2018 farm bill	21	FY2023	\$906
2024 extension	19	FY2024	\$177

Source: CRS using CRS In Focus IF10780, *Farm Bill Primer: Programs Without Baseline Beyond FY2018*, and CRS Report R41433, *Programs Without a Budget Baseline at the End of the 2008 Farm Bill*.

- a. Amounts are for five years for a farm bill or one year for an extension.
- b. At enactment in 2008, the five-year estimated cost of affected programs was \$9.131 billion. In 2012, the estimated cost to reauthorize the programs was as high as \$14 billion.

During the previous one-year extension of the farm bill in 2013 (P.L. 112-240, Title VII), none of the programs without baseline received any additional mandatory funding. During that extension, Congress chose to not extend mandatory funding for programs without a baseline. Although the extension in January 2013 added new “authorizations of appropriations” for many programs without baseline, those authorizations went unfunded in the eventual FY2013 appropriations act in March. The programs without baseline went unfunded in FY2013 and could not operate, a different result than for programs without baseline during the extension in FY2024.

For the next farm bill reauthorization, a smaller number of programs have no baseline and comprise a smaller dollar amount than in previous reauthorizations. This may make it easier for Congress to balance some of the budget considerations in the next farm bill than when it wrote the 2014 and 2018 farm bills.

CRS Products

- CRS In Focus IF12047, *Farm Bill Primer: What Is the Farm Bill?*
- CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*
- CRS Report R47659, *Expiration of the Farm Bill*

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