

AMENDMENTS TO THE FISCAL YEAR 1996  
APPROPRIATIONS REQUESTS

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

AMENDMENTS TO THE FISCAL YEAR 1996 APPROPRIATIONS RE-  
QUESTS FOR THE DEPARTMENT OF HOUSING AND URBAN DE-  
VELOPMENT AND THE SMALL BUSINESS ADMINISTRATION, PUR-  
SUANT TO 31 U.S.C. 1106(b)



JUNE 29, 1995.—Referred to the Committee on Appropriations and ordered  
to be printed

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U.S. GOVERNMENT PRINTING OFFICE

THE WHITE HOUSE,  
*Washington, June 19, 1995.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,

SIR: I ask the Congress to consider amendments to the FY 1996 appropriations requests for the Department of Housing and Urban Development and the Small Business Administration. These amendments are part of the second phase of our Reinventing Government effort and would produce budget authority savings of \$1.4 billion.

This transmittal also contains an FY 1996 budget amendment for the Legislative Branch. As required by law, budget amendments for the Legislative Branch are transmitted without change.

The details of these actions are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with her comments and observations.

Sincerely,

WILLIAM J. CLINTON.

Enclosure.

Estimate No. 11  
104th Congress, 1st Session



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

June 19, 1995

THE DIRECTOR

The President

The White House

Submitted for your consideration are amendments to your FY 1996 appropriations requests for the Department of Housing and Urban Development (HUD) and the Small Business Administration (SBA). These budget amendments would implement proposals included in phase two of the Administration's Reinventing Government initiative. In total, these proposals would produce FY 1996 budget authority savings of \$1.4 billion and would reduce FY 1996 outlays by \$0.2 billion.

As described in the enclosures, these budget amendments would provide the following:

Department of Housing and Urban Development

- Savings of \$1,155 million in the Housing certificates for families and individuals performance funds program. This proposal results from the repricing of Incremental Rental Assistance and Section 8 Contract Renewals and further refining of the Department's reinvention initiatives, including the Public Housing Transformation and multi-family Mark-to-Market proposals. This amendment would reduce FY 1996 outlays by \$4.5 million.

Small Business Administration

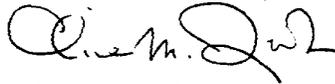
- Savings of \$200 million in the Business loans program account. This amendment would reduce the Government's subsidy cost to zero for the section 7(a) and the 504 loan guarantee programs. This proposal would result in a reduction in FY 1996 outlays of \$132 million.
- Savings of \$24 million in the Salaries and expenses account. These savings would occur as the full-time equivalent (FTE) employment level is reduced by 500 from the level assumed in the FY 1996 Budget as a result of the consolidation of field offices, increased use of technology, and relocation of some headquarters functions. This amendment would reduce FY 1996 outlays by \$24 million.

- Savings of \$3 million in the Surety bond guarantees revolving fund. These savings would result from shifting a small portion of the cost of the program to its beneficiaries. This proposal would reduce FY 1996 outlays by \$3 million.

Included in this transmittal is a budget amendment for the Legislative Branch. As required by law, appropriations requests for the Legislative Branch are transmitted without change.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the Secretary of Housing and Urban Development and the Administrator of the Small Business Administration in recommending that these proposals be transmitted to the Congress.

Sincerely,



Alice M. Rivlin  
Director

Enclosures

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PUBLIC AND INDIAN HOUSING

1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
500	Housing certificates for families and individuals performance funds	\$7,664,875,000	-\$1,154,920,000	\$6,509,955,000

This amendment reflects adjustments to the FY 1996 Budget assumptions resulting from: (1) an analysis of the budgetary impact of shorter terms for Incremental Rental Assistance and Section 8 Contract Renewals; (2) the impact of repricing various savings proposals; and (3) a general program redesign based on the Department's reinvention efforts, specifically its proposals to transform Public Housing toward more tenant-based assistance and its multi-family Mark-to-Market proposal. This proposal would decrease FY 1996 budget authority by \$1.2 billion and cumulative budget authority by \$21.7 billion through FY 2000.

In FY 1996, discretionary outlays would decrease by \$4.5 million. In total, discretionary outlays would increase by \$3.5 billion through FY 2000 and would be fully offset.

## SMALL BUSINESS ADMINISTRATION

1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
919	Salaries and expenses	\$263,958,000	-\$24,427,000	\$239,531,000

This proposal is part of the second phase of the Administration's Reinventing Government initiative. The proposal reflects the reduction in salary expenses resulting from reducing FTEs by 500 below the level assumed in the FY 1996 Budget. This reduction would be achieved through three actions: (1) consolidation of field operations and greater use of public/private partnerships; (2) centralized processing to achieve economies of scale and use of current technology; and (3) relocation of some headquarters functions to more efficient, less costly field locations.

This amendment would reduce FY 1996 outlays by \$24 million.

## SMALL BUSINESS ADMINISTRATION

1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
921	Surety bond guarantees revolving fund	\$5,530,000	-\$3,000,000	\$2,530,000

(In the appropriations language under the above heading, insert the following immediately before the period at the end of the paragraph:)

: Provided, That upon enactment of authorization to increase the fees paid by small businesses and surety companies using this program by \$3,000,000 annually, the appropriation for this account shall be reduced by \$3,000,000

This proposal is part of the second phase of the Administration's Reinventing Government initiative. The Surety Bond Guarantee program provides small contractors with bonding from private surety firms. The program would raise an additional \$3 million annually through a slight increase in fees. Fees to small businesses would increase from \$6 to \$8 per thousand dollars of bonding level guaranteed, and fees to private sector surety companies would increase from 20 to 25 percent of premium earned on each guaranteed final bond.

This amendment would reduce FY 1996 outlays by \$3 million.

## SMALL BUSINESS ADMINISTRATION

1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
922	Business loans program account	\$364,633,000	-\$199,760,000	\$164,873,000

(In the appropriations language under the above heading, insert the following immediately before the period at the end of the first paragraph:)

: Provided, That upon enactment of authorization to charge borrowers and lenders additional fees significant to reduce the Sections 7(a) and 504 loan guarantee programs subsidy rates to zero, the appropriation for this account shall be reduced by \$199,760,000

This proposal is part of the second phase of the Administration's Reinvesting Government initiative. The proposal would reduce the Government's subsidy cost to zero for the Section 7(a) and 504 loan guarantee programs. The 7(a) program now costs the Government \$2.74 for every \$100 loaned, while the 504 program costs \$0.57 for every \$100 loaned. Shifting the costs of these programs to the borrowers and lenders through new fees and a one-half percent interest rate increase, which would be passed through to SBA, would allow the agency to meet program demand while eliminating the need for appropriations. The Government would continue to pay for the administrative costs associated with these programs.

This amendment would reduce FY 1996 outlays by \$132 million.

LEGISLATIVE BRANCH  
HOUSE OF REPRESENTATIVES

1996 Budget Appendix Page	Heading	1996 Budget Request Pending	1996 Proposed Amendment	1996 Revised Request
15	Salaries and expenses	\$795,833,000	\$1,162,000	\$796,995,000

Salaries, officers and employees

(In the appropriations language under the subheading, "Salaries, Officers and Employees," delete "\$73,585,000" and substitute \$74,747,000; delete "six" and substitute nine; delete "\$768,000" and substitute \$1,144,000; delete "\$1,628,000" the first time it appears and substitute \$1,833,000; and insert the following immediately after "\$1,833,000;": for Speaker's Office for Legislative Floor Activities, \$376,000; for Republican Steering Committee, \$205,000;)

This amendment would provide funds as authorized by provisions contained in House Resolutions 6, 7, and 9. Two new offices (the Speaker's Office for Legislative Floor Activities and the Republican Steering Committee) and one existing office (the House Democratic Steering and Policy Committee and Democratic Caucus) would receive additional funding. This amendment would also provide funds for three additional employees for the minority staff.

This proposal would increase FY 1996 outlays by \$1.1 million.

