104TH CONGRESS 1st Session | HOUSE OF REPRESENTATIVES | REPORT 104–201

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 1996

JULY 21, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. LEWIS, from the Committee on Appropriations, submitted the following

REPORT

together with

ADDITIONAL, DISSENTING AND SEPARATE VIEWS

[To accompany H.R. 2099]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes.

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92–382

SUMMARY OF THE BILL

The Committee recommends $79,407,521,000 in new budget (obligational) authority for the Departments of Veterans Affairs and Housing and Urban Development, and 19 independent agencies and offices. This is $10,960,886,061 below the 1995 appropriations level.

The following table summarizes the amounts recommended in the bill in comparison with the appropriations for fiscal year 1995 and budget estimates for fiscal year 1996.

SUMMARY OF BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
American Battle Monuments Commission	$20,265,000	$20,265,000	$20,265,000		
Cemeterial Expenses, Army	12,017,000	14,134,000	11,296,000	-$721,000	-$2,838,000
Chemical Safety and Hazard Investigation Board	500,000			-500,000	
Community Development Financial Institutions	125,000,000	144,000,000		-125,000,000	-144,000,000
Consumer Information Center	2,004,000	2,061,000	2,061,000	+57,000	
Consumer Product Safety Commission	42,509,000	44,000,000	40,000,000	-2,509,000	-4,000,000
Corporation for National and Community Service	577,000,000	819,476,000		-577,000,000	-819,476,000
Council on Environmental Quality and Office of Environmental Quality	997,000	2,188,000	1,000,000	+3,000	-1,188,000
Court of Veterans Appeals	9,429,000	9,820,000	9,000,000	-429,000	-820,000
Department of Housing and Urban Development	24,653,518,000	24,340,032,000	19,091,383,000	-5,562,135,000	-5,248,649,000
Department of Veterans Affairs	37,734,180,061	38,606,762,093	37,649,060,000	-85,120,061	-957,702,093
Environmental Protection Agency	7,240,887,000	7,359,409,000	4,892,430,000	-2,348,457,000	-2,466,979,000
Federal Deposit Insurance Corporation	842,000,000	15,000,000		-842,000,000	-15,000,000
Federal Emergency Management Agency	821,907,000	796,119,000	779,437,000	-42,470,000	-16,682,000
National Aeronautics and Space Administration	14,376,684,000	14,260,000,000	13,671,800,000	-704,884,000	-588,200,000
National Credit Union Administration (limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)		
National Science Foundation	3,360,520,000	3,360,000,000	3,160,000,000	-200,520,000	-200,000,000
Neighborhood Reinvestment Corporation	38,667,000	55,000,000	38,667,000		-16,333,000
Office of Consumer Affairs	2,166,000	1,811,000	1,811,000	-355,000	
Office of Science and Technology Policy	4,981,000	4,981,000	4,981,000		
Resolution Trust Corporation: Office of Inspector General	32,000,000	11,400,000	11,400,000	-20,600,000	
Selective Service System	22,930,000	23,304,000	22,930,000		-374,000
Scorekeeping adjustments	448,246,000			-448,246,000	
Total	90,368,407,061	89,889,762,093	79,407,521,000	-10,960,886,061	-10,482,241,093

FISCAL YEAR 1996 RATIONALE

The fiscal year 1996 recommendations for the VA, HUD, and Independent Agencies Appropriations Bill are the result of a fundamental recognition that significant changes are required if the goal of a balanced budget is to be realized. The funding provided in the Bill which accompanies this report, when combined with the rescissions package contained in H.R. 1944, begins the long process toward achieving that goal.

In summary, the Subcommittee's allocation of budget authority (House Report 104–197) is $8,352,096,061 below the fiscal year 1995 enacted appropriation and $8,828,000,093 below the President's budget request. The total outlay allocation for the Subcommittee rises by $1,237,991,000 over the fiscal year 1995 level. However, this amount includes outlays associated with appropriations enacted by previous Congresses over which the Committee has limited control and the new outlays associated with the fiscal year 1996 appropriation actually decreases substantially when compared to the fiscal year 1995 new outlays. The new outlay authority allocated to the Subcommittee is reduced by $1,235,920,000 from the fiscal year 1995 enacted appropriation and $3,377,686,000 below the President's budget request.

In order to achieve the reductions mandated, the Committee conducted a zero-base review of each department, agency, and office under its jurisdiction. The goal of this review was to determine exactly what was being done by the government, why was it being done, how was it being done, and if it was a necessary activity, could it be done cheaper. The following report and accompanying Bill spell out in detail the results of the Committee's work thus far. The job is not complete, but a substantial amount of progress has been made toward getting the programs under control while maintaining essential government activity.

The Committee recognizes that tough times are here to stay and short-term measures such as "outlay enhancers" will do little to address the long-term goal of a balanced budget. Therefore, to the extent possible, the Committee has avoided the use of "outlay enhancers" and other mechanisms which merely postpone the difficult decisions. The reductions contained in the Bill which accompanies this report are real reductions which present real challenges for various government offices if fundamental change is to be realized.

TITLE I

DEPARTMENT OF VETERANS AFFAIRS

Fiscal Year 1996 Recommendation	$37,649,060,000
Fiscal Year 1995 Appropriation	37,734,180,061
Fiscal Year 1996 Budget Request	38,606,762,093
Comparison with Fiscal Year 1995 Appropriation	−85,120,061

The Department of Veterans Affairs is the third largest Federal agency in terms of employment with an average employment of approximately 230,000. It administers benefits for 26,000,000 veterans, and 44,000,000 family members of living veterans and survivors of deceased veterans. Thus, 70,000,000 people, comprising about 27 percent of the total population of the United States, are potential recipients of veterans benefits provided by the Federal Government.

A total of $37,649,060,000 in new budget authority is recommended by the Committee for the Department of Veterans Affairs programs in fiscal year 1996. The funds recommended provide for compensation payments to 2,549,678 veterans and survivors of deceased veterans with service-connected disabilities; pension payments for 743,500 non-service-connected disabled veterans, widows and children in need of financial assistance; educational training and vocational assistance to 519,899 veterans, servicepersons, and reservists, and 39,160 eligible dependents of deceased or seriously disabled veterans; housing credit assistance in the form of 325,595 guaranteed loans provided to veterans and servicepersons; administration or supervision of life insurance programs with 5,398,882 policies for veterans and active duty servicepersons providing coverage of $449,956,000,000; inpatient care and treatment of beneficiaries in 173 hospitals, 39 domiciliaries, and 136 nursing homes; outpatient care in 376 clinics which includes independent, satellite, community-based, and rural outreach clinics involving 26,300,000 visits; and the administration of the National Cemetery System for burial of eligible veterans, servicepersons and their survivors.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$17,649,972,000
Fiscal Year 1995 Appropriation	17,626,892,000
Fiscal Year 1996 Budget Request	17,649,972,000
Comparison with Fiscal Year 1995 Appropriation	+23,080,000

This appropriation provides funds for service-connected compensation payments to an estimated 2,549,678 beneficiaries and pension payments to another 743,500 beneficiaries with non-service-connected disabilities. The average cost per compensation case in 1996 is estimated at $5,732, and pension payments are projected at a unit cost of $4,077. The estimated caseload and cost by program for 1995 and 1996 are as follows:

	1995	1996	Difference
Caseload:			
Compensation:			
Veterans	2,226,900	2,246,900	+20,000
Survivors	305,259	302,778	−2,481
Clothing allowance (non-add)	(68,100)	(68,700)	(+600)
Pensions:			
Veterans	427,900	408,900	−19,000
Survivors	359,800	334,600	−25,200
Vocational training (non-add)	(150)	(100)	(−60)
Burial allowances	102,800	102,100	−700
Funds:			
Compensation:			
Veterans	$11,457,695,000	$11,562,863,000	+$105,168,000
Survivors	3,036,153,000	3,017,599,000	−18,554,000
Clothing allowance	33,452,000	33,738,000	+286,000

	1995	1996	Difference
Payment to GOE (Public Laws 101–508 and 102–568)	2,528,000	1,430,000	−1,098,000
Pensions:			
Veterans	2,228,200,000	2,219,000,000	−9,200,000
Survivors	838,100,000	811,600,000	−26,500,000
Vocational training	748,000	514,000	−234,000
Payment to GOE (Public Laws 101–508, 102–568 and 103–446)	12,905,000	12,305,000	−600,000
Payment to medical care (Public Laws 101–508 and 102–568)	10,717,000	11,445,000	+728,000
Payment to medical facilities	6,000,000	3,000,000	−3,000,000
Burial benefits	108,739,000	109,925,000	+1,186,000
Other assistance	1,961,000	1,975,000	+14,000
Unobligated balance and transfers	−110,306,000	−135,422,000	−25,116,000
Total appropriation	17,626,892,000	17,649,972,000	+23,080,000

The Administration has again proposed dividing the compensation and pensions appropriation into three separate accounts: compensation, pensions, and burial benefits and miscellaneous assistance. The Committee has again disapproved this proposal and recommends a single compensation and pensions appropriation in fiscal year 1996.

The 1996 pension budget request includes funds for a proposed cost-of-living increase of 3.1 percent. Legislation will be proposed to provide a 3.1 percent increase for all compensation beneficiaries. The estimated cost of this compensation adjustment is $340,000,000.

For fiscal year 1996, the Committee is recommending the budget estimate of $17,649,972,000 for compensation and pensions. The bill also includes requested language reimbursing $13,735,000 (an increase of $1,500,000 above the original request due to a revised VA estimate) to the general operating expenses account and $11,445,000 to the medical care account for administrative expenses of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990, Public Law 101–508, the Veterans' Benefits Act of 1992, Public Law 102–568, and the Veterans' Benefits Improvements Act of 1994, Public Law 103–446. These cost savings provisions include verifying pension income against Internal Revenue Service and Social Security Administration (SSA) data; establishing a match with the SSA to obtain verification of Social Security numbers; and the $90 monthly VA pension cap for Medicaid-eligible single veterans and surviving spouses alone in Medicaid-covered nursing homes. Also, the bill includes requested language permitting this appropriation to reimburse such sums as may be necessary to the medical facilities revolving fund ($3,000,000 estimated in fiscal year 1996) to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners as authorized by the Veterans' Benefits Act of 1992. Currently, the revolving fund receives payment through a lump-sum transfer of funds which must be estimated for the coming year. The proposed monthly reimbursement will allow for an exact payment to be delivered into the revolving fund after the actual number of patients is accounted for by the medical facility, eliminating the need to estimate future payments and easing the accounting burden. The $12,000,000 previously transferred from this account to the medical facilities revolving fund is transferred back, as requested.

The Administration has proposed language that would provide indefinite 1996 supplemental appropriations for compensation and pension payments. The Committee believes the current funding procedures are adequate and has not included the requested language in the bill. The Committee recognizes that additional funding may be necessary when the final disposition of proposed legislation is known.

READJUSTMENT BENEFITS

Fiscal Year 1996 Recommendation	$1,345,300,000
Fiscal Year 1995 Appropriation	1,286,600,000
Fiscal Year 1996 Budget Request	1,345,300,000
Comparison with Fiscal Year 1995 Appropriation	+58,700,000

This appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985. These benefits are included in the All-Volunteer Force Educational Assistance Program. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation. Supplemental benefits are also provided to certain veterans through transfers from the Department of Defense. This law also provides education assistance to certain members of the Selected Reserve and is funded through transfers from the Departments of Defense and Transportation. In addition, certain disabled veterans are provided with vocational rehabilitation, specially adapted housing grants, and automobile grants with the approved adaptive equipment. This account also finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total and permanent service-connected disability as well as dependents of servicepersons who were captured or missing-in-action.

The Committee recommends the budget estimate of $1,345,300,000 for readjustment benefits in fiscal year 1996. The estimated number of trainees and costs by program for 1995 and 1996 are as follows:

	1995	1996	Difference
Number of trainees:			
Education and training: dependents	39,700	39,160	−540
All-Volunteer Force educational assistance:			
Veterans and servicepersons	339,200	355,600	+16,400
Reservists	109,341	115,799	+6,458
Vocational rehabilitation	48,000	48,500	+500
Total	536,241	559,059	+22,818
Funds:			
Education and training: dependents	$100,874,000	$99,401,000	−$1,473,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	911,853,000	985,512,000	+73,659,000
Reservists	133,720,000	147,453,000	+13,733,000
Vocational rehabilitation	296,590,000	309,150,000	+12,560,000
Housing grants	14,839,000	14,839,000	0
Automobiles and other conveyances	4,901,000	4,901,000	0
Adaptive equipment	21,500,000	23,020,000	+1,520,000
Work-study	29,407,000	33,758,000	+4,351,000

	1995	1996	Difference
Payment to States	13,000,000	13,000,000	0
Jobs training (P.L. 102–484)	8,416,000	0	−8,416,000
Unobligated balance and other adjustments	−248,500,000	−285,734,000	−37,234,000
Total appropriation	1,286,600,000	1,345,300,000	+58,700,000

VETERANS INSURANCE AND INDEMNITIES

Fiscal Year 1996 Recommendation	$24,890,000
Fiscal Year 1995 Appropriation	24,760,000
Fiscal Year 1996 Budget Request	24,890,000
Comparison with Fiscal Year 1995 Appropriation	+130,000

The veterans insurance and indemnities appropriation is made up of the former appropriations for military and naval insurance, applicable to World War I veterans; national service life insurance (NSLI), applicable to certain World War II veterans; servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance, applicable to individuals who have received a grant for specially adapted housing.

The budget estimate of $24,890,000 for veterans insurance and indemnities in fiscal year 1996 is included in the bill. The amount provided will enable VA to transfer more than $17,610,000 to the service-disabled veterans insurance fund, transfer $7,590,000 in payments for the 3,971 policies under the veterans mortgage life insurance program, as well as provide payments for the 1,581 policies under a small NSLI program called "H." These policies are identified under the veterans insurance and indemnity appropriation since they provide insurance to service-disabled veterans unable to qualify under basic NSLI.

GUARANTY AND INDEMNITY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Fiscal Year 1996 Recommendation	$504,122,000	$65,226,000
Fiscal Year 1995 Appropriation	507,095,000	65,226,000
Fiscal Year 1996 Budget Request	504,122,000	78,085,000
Comparison with Fiscal Year 1995 Appropriation	−2,973,000	0

The purpose of the VA home loan guaranty program is to facilitate the extension of mortgage credit on favorable terms by private lenders to eligible veterans. All operations of the loan guaranty program for loans closed on or after January 1, 1990, except for manufactured home loans, are financed from the guaranty and indemnity program fund. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation or a loan guarantee commitment. In addition, the Act requires all administrative expenses of a direct or guaranteed loan program to be funded through a program account.

The Committee recommends the budget estimate of such sums as may be necessary (estimated to be $504,122,000) for funding subsidy payments and $65,226,000 to pay administrative expenses. The recommendation maintains funding for administrative expenses at the current level. The appropriation for administrative expenses may be transferred to and merged with the general operating expenses account.

LOAN GUARANTY PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Fiscal Year 1996 Recommendation	$22,950,000	$52,138,000
Fiscal Year 1995 Appropriation	43,939,000	59,371,000
Fiscal Year 1996 Budget Request	22,950,000	52,138,000
Comparison with Fiscal Year 1995 Appropriation	−20,989,000	−7,233,000

The loan guaranty program account provides for the costs of direct and guaranteed home loans, as well as necessary administrative expenses, for loans closed prior to January 1, 1990, and for all manufactured home loans closed prior to September 30, 1991. This program also provides for the subsidies for all manufactured home loans guaranteed after September 30, 1991. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation or a loan guarantee commitment. In addition, the Act requires all administrative expenses, including those arising from the servicing of loans obligated or committed prior to 1992, to be funded through a program account.

The Committee has provided the budget requests of such sums as may be necessary (estimated to be $22,950,000) for the loan guaranty program account and $52,138,000 to pay administrative expenses. The appropriation for administrative expenses may be transferred to and merged with the general operating expenses account.

DIRECT LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal Year 1996 Recommendation	$28,000	$300,000	$459,000
Fiscal Year 1995 Appropriation	25,000	1,000,000	1,020,000
Fiscal Year 1996 Budget Request	28,000	300,000	459,000
Comparison with Fiscal Year 1995 Appropriation	+3,000	−700,000	−561,000

The direct loan program account provides funds for subsidies to severely disabled veterans for specially adapted housing and for the administrative expenses to carry out the direct loan program. The budget also requests a limitation on direct loans for specially adapted housing.The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program to be funded through a program account.

The bill includes the budget requests of a $300,000 limitation on specially adapted housing loans, such sums as may be necessary for program costs (estimated to be $28,000), and $459,000 for administrative expenses. The appropriation for administrative expenses may be transferred to and merged with the general operating expenses account.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal Year 1996 Recommendation	$1,000	$4,000	$195,000
Fiscal Year 1995 Appropriation	1,061	4,034	195,000
Fiscal Year 1996 Budget Request	1,093	4,120	203,000
Comparison with Fiscal Year 1995 Appropriation	−61	−34	0

This appropriation covers the cost of direct loans for eligible dependents and, in addition, it includes administrative expenses necessary to carry out the direct loan program. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program to be funded through a program account.

The bill includes $1,000 for program costs and $195,000 for administrative expenses. The appropriation for administrative expenses may be transferred to and merged with the general operating expenses account. In addition, the bill includes language limiting program direct loans to $4,000, approximately the current limitation level.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal Year 1996 Recommendation	$54,000	$1,964,000	$377,000
Fiscal Year 1995 Appropriation	54,000	1,964,000	767,000
Fiscal Year 1996 Budget Request	56,000	2,022,000	377,000
Comparison with Fiscal Year 1995 Appropriation	0	0	−390,000

This appropriation covers the cost of direct loans for vocational rehabilitation of eligible veterans and, in addition, it includes administrative expenses necessary to carry out the direct loan program. Loans of up to $774 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs when the veteran is temporarily in need of additional assistance. Repayment is made in 10 monthly installments, without interest, through deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay. The Federal Credit Reform Act of 1990 requires budgetary resources to be available prior to incurring a direct loan obligation. In addition, the Act requires all administrative expenses of a direct loan program to be funded through a program account.

The bill includes $54,000 for program costs, the current subsidy level, and the budget request of $377,000 for administrative expenses. The administrative expenses may be transferred to and merged with the general operating expenses account. In addition, the bill includes language limiting program direct loans to $1,964,000, the current limitation level. It is estimated that VA will make 4,567 loans in fiscal year 1996, with an average amount of $430.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Administrative expenses
Fiscal Year 1996 Recommendation	$205,000
Fiscal Year 1995 Appropriation	218,000
Fiscal Year 1996 Budget Request	455,000
Comparison with Fiscal Year 1995 Appropriation	−13,000

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust land. This program is a five-year pilot program which began in 1993. The bill includes $205,000 for administrative expenses, a decrease of $13,000 below the current appropriation, which may be transferred to and merged with the general operating expenses account.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Fiscal Year 1996 Recommendation	$16,713,521,000
Fiscal Year 1995 Appropriation	16,214,684,000
Fiscal Year 1996 Budget Request	16,961,487,000
Comparison with Fiscal Year 1995 Appropriation	+498,837,000

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliaries and outpatient facilities; contract hospitals; State domiciliaries, nursing homes and hospitals; contract community nursing homes; and outpatient programs on a fee basis. Hospital and outpatient care are also provided by the private sector for certain dependents and survivors of veterans under the civilian health and medical programs for the Department of Veterans Affairs. Funds are also used to train medical residents, interns, and other professional, paramedical and administrative personnel in health-science fields to support VA's medical programs.

The VA is requesting $16,961,487,000 for medical care in fiscal year 1996, an increase of $746,803,000 above the current appropriation level. Within the most recent outlay allocation, it is not possible for the Committee to provide the budget request and maintain a balance among the other programs funded in the bill. The 1996 Budget Resolution assumed a freeze for medical care at the 1995 level. However, concern has been expressed that the VA needs time to streamline its medical operations and adjust to the current funding level.

In order to allow time for such an adjustment, the bill includes $16,713,521,000 for medical care in fiscal year 1996. In providing an increase of $498,837,000 above the current appropration, the Committee wishes to make clear that this is a one-time adjustment to permit the VA to undertake the necessary planning and make the required adjustments to anticipated future year allocation levels. The Committee notes that this budgetary constraint is in agreement with the VA's future year funding plans. The Administration's outyear budgets assume a reduction in medical care of approximately $509,000,000 in fiscal year 1997, a further reduction of $339,000,000 in fiscal year 1998, a further reduction of $339,000,000 in fiscal year 1999, and a further reduction of $339,000,000 in fiscal year 2000. Thus, the Administration's planned fiscal year 2000 medical care request is $15,434,953,000, a decrease of $779,731,000 below the current fiscal year 1995 level.

The Committee, to compensate for the constraints imposed by the outlay allocation, reduced some programs in the VA and other agencies to permit funding a part of the increase for medical care. To make up the difference, two legislative savings provisions are included in the bill. These savings provisions are carried and explained under the VA's administrative provisions. As is the intention regarding the funding increase, the Committee wishes to make clear that the savings provisions are also carried on a one-time basis.

In streamlining its activities, there are several areas that the VA should explore reducing which would not impact the number of patients treated. For example, information from the VA shows that similar hospitals have different levels of staffing and resources to treat approximately the same number of veterans. Such data indicates that one hospital had nearly twice the staffing and resources as another hospital in the same grouping. Savings can and should be achieved by reducing staffing and resources at less efficient hospitals. Savings are also possible from improving management and coordination at medical centers, as well as reductions in non-direct patient care activities. While training, education, and research activities are important, the level of effort for these programs needs to be reexamined in light of the budgetary situation. The Committee wishes to emphasize that the treatment of veteran patients is the highest priority.

Another area that should be explored is the consolidation and closing of underutilized services. The Committee recognizes that such actions are not easy and require time to implement. However, these reasons should not be used to avoid making difficult decisions. The VA should also reexamine the cost-effectiveness of contracting out for various services, including direct patient care, and make such changes when warranted. Clearly, the VA must change the way business has been conducted.

Eligibility reform is being considered by the VA and the Congress. Such proposals have the potential to streamline health care, provide flexibility to shift care from inpatient to more efficient outpatient settings, and, by one estimate, save approximately $2,000,000,000 per year. This effort will permit an increased number of veterans to receive medical treatment than is currently possible. The Committee supports budget neutral eligibility reform.

Complaints have been heard of where veteran patients and their families were treated in an insensitive manner by VA staff. Such treatment cannot be tolerated. Our commitment as a Nation is to have all veterans and their families receive the best and most courteous medical treatment possible. The Committee expects that the VA redouble its efforts to ensure that goal.

Beneficiary travel has increased from $77,951,000 in fiscal year 1993 to $100,890,000 estimated for fiscal year 1996. This is an area that the VA is encourged to examine for cost savings.

The VA plans to reduce funds for equipment in fiscal year 1995 by $57,467,000 below the amount requested and provided last year. The Committee agrees that the VA's goal of reducing the equipment backlog of hundreds of millions of dollars is a high priority and does not expect that this activity will be reduced in fiscal year 1996 below the requested level.

The recommended amount includes the following:

+$500,000 for a Low Vision Center in Ophthalmology at the East Orange VA Medical Center.

+$500,000 for a geriatric patient care program at the Lyons VA Medical Center.

+$396,000 to provide outpatient care at the Grafton Development Center in Grafton, North Dakota.

+$300,000 to provide an outpatient access in Williamsport, Pennsylvania.

+$1,500,000 to expand existing community-based outpatient clinics in Wood County and Tucker County, West Virginia.

The Committee urges the Department of Veterans Affairs' Central Office and appropriate field office to continue efforts at negotiating a co-location of the Toledo, Ohio, VA Outpatient Clinic with the proposed Army National Guard Armory on the campus of the Medical College of Ohio in Toledo. The VA is to submit a report of the options for such co-location within 60 days of the enactment of this legislation.

Currently, there are a number of Federal programs designed to assist the homeless. These programs are primarily funded in the Departments of Housing and Urban Development, Health and Human Services, Education, and Veterans Affairs; and the Federal Emergency Management Agency. Although hundreds of millions of dollars are appropriated each year for homeless programs, the problem does not seem to diminish. The VA is to work with other Federal agencies with homeless programs to improve coordination in the provision of this assistance. The VA should be prepared to discuss how improvements in effectiveness can be made in the overall Federal effort at next year's budget hearings.

Fort Benjamin Harrison in Indianapolis, Indiana, is scheduled to close at the end of the year. The Army is considering a proposal to have the VA take over operations of the Hawley Army Health Clinic. The Committee urges the VA to also consider this proposal.

The 1996 budget proposes funding of lease costs for the relocation and expansion of the satellite outpatient clinic near Ft. Myers, Florida. The Committee strongly supports this urgently needed relocation and expansion of the existing outpatient clinic.

MEDICAL AND PROSTHETIC RESEARCH

Fiscal Year 1996 Recommendation	$251,743,000
Fiscal Year 1995 Appropriation	251,743,000
Fiscal Year 1996 Budget Request	257,000,000
Comparison with Fiscal Year 1995 Appropriation	0

This account includes medical, rehabilitative and health services research. Medical research is an important aspect of VA programs, providing complete medical and hospital service for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics and the blind. The health service research program provides unique opportunities to improve the effectiveness and efficiency of the health care delivery system.

The Committee recommends $251,743,000 for medical and prosthetic research in fiscal year 1996. This amount will continue VA's important research program at the current appropriation level.

Within the total amount recommended, the Secretary is to utilize $1,250,000 to establish an Office of Veterans Affairs Technology and Commercialization. Working with the National Technology Transfer Center, the program would support the commercialization of processes developed in the VA's research program. A portion of the funds are for establishing an assistive technology prototyping center to speed the development and commercialization of technologies applicable to the needs of veterans. It is anticipated that the center would eventually become self-supporting.

The VA is requesting $33,218,000 in fiscal year 1996 for health service research. The Committee supports that level of funding for this research effort.

The VA has entered into a five-year partnership with a major not-for-profit research foundation in support of research on diabetes. Last year's report recommended such a cost sharing effort. The Committee continues to support diabetes research, a major health concern facing our nation's veterans.

Last year's report indicated enthusiastic support for the establishment of a Department of Veterans Affairs medical research service minority recruitment initiative in collaboration with minority health professions institutions. The Committee supports the continued development of this program.

The Secretary is urged to maintain the prostate research program at least at the current level. This funding helps address a major health problem for aging veterans.

Electromedicine is used in the treatment of chronic pain. The VA is urged to conduct a clinical study on the capability of using low-frequency currents in the treatment of severe pain not well controlled by conventional therapy and other disorders.

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Fiscal Year 1996 Recommendation	0
Fiscal Year 1995 Appropriation	$10,386,000
Fiscal Year 1996 Budget Request	10,386,000
Comparison with Fiscal Year 1995 Appropriation	−10,386,000

This appropriation provides funds for the payment of health professional scholarship program grants to students who agree to service obligations with the Department of Veterans Affairs at one of its medical facilities. This program, first funded in fiscal year 1982, was designed to address serious recruitment difficulties in nursing and other associated health disciplines. Overall, recruitment problems have diminished since the early 1980s and with it the priority of this program. Due to budgetary constraints, the Committee is not recommending funds for the health professional scholarship program in fiscal year 1996.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Fiscal Year 1996 Recommendation	$63,602,000
Fiscal Year 1995 Appropriation	69,789,000
Fiscal Year 1996 Budget Request	72,262,000
Comparison with Fiscal Year 1995 Appropriation	−6,187,000

This appropriation provides funds for central office executive direction (Under Secretary for Health and staff), administration and supervision of all VA medical and construction programs, including development and implementation of policies, plans and program objectives.

The Committee recommends $63,602,000 for medical administration and miscellaneous operating expenses in fiscal year 1996. This amount represents a reduction of $6,187,000 below the current appropriation level. The reduction is to be taken at the VA's discretion, subject to normal reprogramming procedures.

The VA's new veterans integrated service networks (VISNs) moves the decisions affecting patients made by management closer to the patient. Major administrative and structural changes currently underway are altering the system from a centralized, largely inpatient-oriented healthcare provider to a more efficient, localized outpatient model in line with contemporary healthcare practice in the country today. Greater flexibility in the field also reduces the need for management staff in the central office. The Committee supports this decentralization concept and urges the VA to accelerate its streamlining efforts. In implementing this streamlining, the VA is not to transfer the costs of Veterans Health Administration employees whose permanent duty station is Washington, D.C. and are currently funded from the MAMOE account to the medical care appropriation.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

Fiscal Year 1996 Recommendation	0
Fiscal Year 1995 Appropriation	$500,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	−500,000

This program previously provided a grant to the Philippine Government for the continued effective care and treatment of U.S. veterans in the Veterans Memorial Medical Center (VMMC) at Manila. However, with the suspension of U.S. veteran admissions to the VMMC, the VA proposes to discontinue providing U.S. funds to maintain and upgrade the physical plant at this facility. The Committee concurs with this recommendation and is not providing any funds for this program in fiscal year 1996.

TRANSITIONAL HOUSING LOAN PROGRAM

(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Fiscal Year 1996 Recommendation	$7,000	$70,000	$54,000

	Program account	Limitation on direct loans	Administrative expenses
Fiscal Year 1995 Appropriation	7,000	70,000	54,000
Fiscal Year 1996 Budget Request	7,000	70,000	56,000
Comparison with Fiscal Year 1995 Appropriation	0	0	0

This program provides loans to nonprofit organizations to assist them in leasing housing units exclusively for use as a transitional group residence for veterans who are in (or have recently been in) a program for the treatment of substance abuse. The amount of the loan cannot exceed $4,500 for any single residential unit and each loan must be repaid within two years through monthly installments. The amount of loans outstanding at any time may not exceed $100,000.

The bill includes $7,000 for the estimated cost of providing loans for this program, $54,000 for associated administrative expenses, and a $70,000 limitation on direct loans. The administrative expenses may be transferred to and merged with the general post fund.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Fiscal Year 1996 Recommendation	$821,487,000
Fiscal Year 1995 Appropriation	890,193,000
Fiscal Year 1996 Budget Request	915,643,000
Comparison with Fiscal Year 1995 Appropriation	−68,706,000

The general operating expenses appropriation provides for the administration of non-medical veterans benefits through the Veterans Benefits Administration and top management direction and support. The Federal Credit Reform Act of 1990 changed the accounting of Federal credit programs and required that all administrative costs associated with such programs be included within the respective credit accounts. Beginning in fiscal year 1992, costs incurred by housing, education, and vocational rehabilitation programs for administration of these credit programs are reimbursed by those accounts. The bill includes $118,600,000 in other accounts for these credit programs. In addition, $13,735,000 is transferred from the compensation and pensions account for administrative costs of implementing cost saving provisions required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992.

The Committee recommends $821,487,000 for general operating expenses in fiscal year 1996. This amount represents a total decrease of $68,706,000 below the current appropriation level—$36,706,000 as a general reduction and $32,000,000 as an offset to a legislative provision carried under VA's administrative provisions. The general reduction is to be taken at the discretion of the Secretary, subject to normal reprogramming procedures. The legislative proposal will permit $32,000,000 of excess revenues in three insurance programs to be used for administrative expenses. Thus, the general operating expenses budget request, which assumed $32,000,000 for administration of three life insurance programs, can be reduced accordingly.

To continue improving the timeliness of claims, the Committee does not intend that any reduction be applied to the Board of Veterans Appeals or the Veterans Benefits Administration's compensation, pensions, and education program. The Committee suggests that the VA consider reductions in central office staffing and excess layers of management; travel, other than for training; and relocation costs. The Veterans Benefits Administration should consider the continuation of consolidating certain regional office functions. Consistent with the recommendation under the medical care account, the VA should also reexamine the cost-effectiveness of privatizing or contracting out for various services, and make such proposals when warranted.

The VA is urged to examine additional efficiencies possible through the consolidation of ADP processing activities. In the past, each part of the VA has, to a great extent, operated autonomously. This has often resulted in a lack of overall coordination and a duplication of efforts. The Committee expects that top management will address this matter.

The Committee understands that the VA will lack authority to pay administrative costs of the Service Members Occupational Conversion and Training Act beginning in fiscal year 1996. The VA estimates that approximately $500,000 may be needed to close down program activities. The bill includes language to permit the general operating expenses to cover such costs.

The bill includes language permitting the $25,500,000 earmarked in the 1995 Appropriations Act for the Veterans Benefits Administration's modernization program to be available for any expense authorized to be funded from the general operating expenses account. This provision will provide the VA with greater flexibility in utilizing its funds.

The Committee notes that various reports by the CNA Corporation, GAO, and legislative oversight committees have raised concerns regarding the modernization program. The bill includes language which prohibits funding for the previously planned Stage III acquisition of computer equipment and services in the Benefits Delivery Centers of the Veterans Benefits Administration modernization program. It now appears the VA has the capability to perform the Veterans Service Network (VETSNET) automated data processing operations in its Austin Automation Center (AAC) in Texas. To avoid unnecessary duplication of equipment and services, the Committee intends that VA use existing capability at the ACC to support the planned Stage III VETSNET applications, and that up to $3,500,000 in general operating expenses funds be available for the AAC to implement its support for VETSNET.

NATIONAL CEMETERY SYSTEM

Fiscal Year 1996 Recommendation	$72,604,000
Fiscal Year 1995 Appropriation	72,604,000
Fiscal Year 1996 Budget Request	75,308,000
Comparison with Fiscal Year 1995 Appropriation	0

The National Cemetery System was established in accordance with the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment in any national cemetery with available grave space the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program. This appropriation provides for the operation and maintenance of 148 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico.

The Committee recommends $72,604,000 for the national cemetery system in fiscal year 1996. This amount will continue this important activity at the current appropriation level.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	$30,900,000
Fiscal Year 1995 Appropriation	31,815,000
Fiscal Year 1996 Budget Request	33,500,000
Comparison with Fiscal Year 1995 Appropriation	−915,000

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit, investigation and inspection of all Department of Veterans Affairs programs and operations. The overall operational objective is to focus available resources on areas which would help improve services to veterans and their beneficiaries, assist managers of VA programs to operate economically in accomplishing program goals, and prevent and deter recurring and potential fraud, waste and inefficiencies.

The Committee has provided $30,900,000 for the Office of Inspector General in fiscal year 1996, a decrease of $915,000 below the current year level. The reduction is to be taken at the discretion of the VA, subject to normal reprogramming procedures. The Committee is aware that at the recommended funding level, the current level, or the budget request, the IG will not be able to reach the authorized employment level of 417.

CONSTRUCTION, MAJOR PROJECTS

Fiscal Year 1996 Recommendation	$183,455,000
Fiscal Year 1995 Appropriation	354,294,000
Fiscal Year 1996 Budget Request	513,755,000
Comparison with Fiscal Year 1995 Appropriation	−170,839,000

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition where the estimated cost of a project is $3,000,000 or more. Emphasis is placed on correction of life/safety code deficiencies in existing VA medical facilities. Funds again are requested for the design fund which would develop construction documents for projects planned for the following budget year.

A program of $513,755,000 is requested for construction, major projects, in fiscal year 1996. The bill includes $183,455,000 for the construction of major projects, a decrease of $170,839,000 below the current level and $330,300,000 below the budget request.

The changes from the budget request are as follows:

−$154,700,000 requested for a new medical center in Brevard County, Florida. The Committee recognizes the critical need for access to healthcare that has existed for over ten years among veterans in the southeast. Florida has the highest percentage of veterans 65 years of age and older in the Nation and the numbers are increasing daily. The unmet need for these services was addressed in the 1996 budget request for full funding of a new hospital and nursing home in Brevard County, Florida. However, the overriding requirements for budgetary savings will not allow for full funding of the Brevard County facility in fiscal year 1996. In the event that significant additional appropriations are not provided for the phased construction of the Brevard County hospital in the 1996 appropriations process, the fiscal year 1995 appropriation of $17,200,000 shall be used for the design and construction of a comprehensive medical outpatient clinic which shall serve as the first phase of the Brevard County medical facility.

−$188,500,000 requested for the VA/Air Force Joint Venture at Travis Air Force Base, Fairfield, California. The Committee has made this recommendation solely because of the budgetary situation—both present and anticipated in the future. It is the Committee's intention that an outpatient clinic be constructed at Travis. The VA is directed to develop a cost estimate for such an outpatient clinic in time that those funds may be included at the conference stage on this bill.

+$1,000,000 for design of a new national cemetery in Albany, New York area.

+$5,000,000 for design of an ambulatory care addition and patient environmental improvements project at the Wilkes-Barre VA Medical Center.

+$4,000,000 for the relocation of medical school functions at the Mountain Home VA Medical Center. This is a continuation of the project funded in previous years.

+$1,500,000 for design of an ambulatory care addition project at the Asheville, NC, VA Medical Center.

+$1,400,000 for design of a new national cemetery in the Joliet (Chicago), Illinois area.

The specific amounts recommended by the Committee are as follows:

DETAIL OF BUDGET REQUEST

[In thousands of dollars]

Location and description	Available through 1995	1996 request	House recommendation
Medical Program:			
Replacement and modernization:			
Brevard County, FL, new medical center/nursing home	$17,200	$154,700	0
Travis, CA, VA/Air Force joint venture	22,600	188,500	0
Subtotal, replacement and modernization	39,800	343,200	0
Outpatient improvements:			
Boston, MA, ambulatory care addition	....	28,000	28,000
Patient environment:			
Lebanon, PA, renovate nursing units	....	9,000	9,000
Marion, IL, environmental improvements	....	11,500	11,500
Marion, IN, replace psychiatric beds	....	17,300	17,300

DETAIL OF BUDGET REQUEST—Continued

[In thousands of dollars]

Location and description	Available through 1995	1996 request	House recommendation
Perry Point, MD, renovate psychiatric wards	....	15,100	15,100
Reno, NV, replacement bed building/ambulatory care	7,300	20,100	20,100
Salisbury, NC, environmental enhancements	....	17,200	17,200
Subtotal, patient environment	7,300	90,200	90,200
General : Mountain Home, TN, relocation of medical school	9,500	....	4,000
Advance planning fund:			
Asheville, NC, ambulatory care addition	....	....	1,500
Various stations	....	17,500	17,500
Subtotal, advance planning fund	....	17,500	19,000
Design fund:			
Wilkes-Barre, PA, repair and renovate facility	....	....	5,000
Various stations	....	4,000	4,000
Subtotal, design fund	....	4,000	9,000
Hazardous substance abatement: Various stations	....	500	500
Asbestos abatement: Various stations	....	17,625	17,625
Less: FY 1995 design fund	....	(4,930)	(4,930)
Subtotal, VHA	56,600	496,095	163,395
National Cemetery Program:			
Design fund:			
Joliet, IL, planning and design	....	....	1,400
Various stations	....	1,000	1,000
Subtotal, design fund	....	1,000	2,400
Advance planning fund:			
Albany, NY, planning and design	....	....	1,000
Various stations	....	540	540
Subtotal, advance planning fund	....	540	1,540
Florida National Cemetery	....	5,600	5,600
Less: FY 1995 design fund	....	(280)	(280)
Subtotal, NCS	....	6,860	9,260
Judgment Fund: Various stations	....	10,300	10,300
Claims Analyses: Various stations	....	500	500
Total construction, major projects	$56,600	$513,755	$183,455

An appropriation of $34,800,000 was provided in 1995 for an ambulatory care addition project at the San Juan VA Medical Center. The parking facility component of that project is being started by borrowing $7,000,000 of unobligated balances in the parking revolving fund. The bill includes language transferring $7,000,000 from the major construction account for that project to the parking revolving fund to restore the borrowed funds.

The VA is proposing to eliminate language defining the timeframe for awarding design and construction contracts, and removing a report requirement on projects not awarded in the timeframe. The bill retains this language which has been carried for a number of years and is designed to ensure that major construction projects proceed in a timely manner.

It is the Committee's intention that the parking facility construction at the Cleveland VA Medical Center proceed as originally planned prior to the new addition/renovation project. It is further intended that the spinal cord injury addition is to proceed as originally planned as well.

In fiscal year 1992, $700,000 was provided to design a central air conditioning project at the Fargo VA Medical Center. The Medical Center has suggested that improvements to patient privacy be included in the project. The VA is urged to request funding for the patient privacy/air conditioning project in the fiscal year 1997 budget request.

CONSTRUCTION, MINOR PROJECTS

Fiscal Year 1996 Recommendation	$152,934,000
Fiscal Year 1995 Appropriation	152,934,000
Fiscal Year 1996 Budget Request	229,145,000
Comparison with Fiscal Year 1995 Appropriation	0

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of VA, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $3,000,000. Emphasis is placed on correction of code deficiencies in this appropriation request.

The Committee recommends $152,934,000 for the construction, minor projects appropriation in fiscal year 1996. The Committee has recommended maintaining the current level of funding because of the high priority it places on the minor construction program.

Within the amount recommended is funding for the renovation of an outpatient surgery clinic at the Syracuse VA Medical Center. This project will renovate existing space to consolidate endoscopy, bronchoscopy and outpatient surgery in one location with IV conscious sedation and infusion therapy.

PARKING REVOLVING FUND

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	16,300,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	−16,300,000

This appropriation provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities.

The Secretary is required under certain circumstances to establish and collect fees for the use of such garages and parking facilities. Receipts from the parking fees are to be deposited in the revolving fund and can be used to fund future parking garage initiatives.

No new budget authority is requested in fiscal year 1996. Leases will be funded from parking fees collected. The Committee concurs with the VA's proposal and is not including any funds in the bill for the parking revolving fund. The bill includes the requested language permitting operation and maintenance costs of parking facilities to be funded from the medical care appropriation.

Within the unobligated balance of funds available, the VA is urged to fund a parking garage addition at the Syracuse VA Medical Center. This project will address the critical shortage of parking spaces at the hospital.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Fiscal Year 1996 Recommendation	$47,397,000
Fiscal Year 1995 Appropriation	47,397,000
Fiscal Year 1996 Budget Request	43,740,000
Comparison with Fiscal Year 1995 Appropriation	0

This program provides grants to assist States to construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of the project. Grants for State nursing facilities may not provide for more than four beds per thousand veterans in any State.

The Committee recommends $47,397,000 for grants for construction of State extended care facilities in fiscal year 1996. This amount represents the current funding level.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

Fiscal Year 1996 Recommendation	$1,000,000
Fiscal Year 1995 Appropriation	5,378,000
Fiscal Year 1996 Budget Request	1,000,000
Comparison with Fiscal Year 1995 Appropriation	−4,378,000

Public Law 95–476 established authority to provide aid to States for establishment, expansion, and improvement of State veterans' cemeteries. States receive financial assistance to provide burial space for veterans which serves to supplement the burial services provided by the national cemetery system. The cemeteries are operated and permanently maintained by the States. A grant may not exceed 50 percent of the total value of the land and the cost of improvements. The remaining amount must be contributed by the State.

The Committee recommends the budget request of $1,000,000 for grants for the construction of State veterans cemeteries in fiscal year 1996.

ADMINISTRATIVE PROVISIONS

(INCLUDING THE TRANSFER OF FUNDS)

The bill contains eight administrative provisions. The first six provisions, sections 101–106, are requested by the Administration and are carried in the 1995 Appropriations Act. Two new provisions, sections 107 and 108, have been added that create legislative savings. The Committee, because of a deficient outlay allocation, has included these savings provisions as a partial offset for the increase provided in the medical care account.

Sec. 107 imposes limits on the amount of compensation benefits certain incompetent veterans in the care of the VA may accumulate. This legislation was carried in the Omnibus Reconciliation Act of 1990. This proposal would only be in effect during fiscal year 1996 and creates 1996 budget authority savings of $170,000,000 and outlay savings of $157,000,000.

Sec. 108 funds administrative expenses associated with three VA life insurance funds (National Service Life, U.S. Government Life, and Veterans Service Life) from the funds' excess reserves. Currently, these costs are funded through the general operating expenses appropriation. This legislation is part of the recommendations of the Administration's National Performance Review, and was also proposed in the 1995 Budget Request. This proposal would only be in effect during fiscal year 1996 and creates 1996 outlay savings of $27,520,000 in the general operating expenses account from reducing the appropriation by $32,000,000.

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Fiscal Year 1996 Recommendation	$19,089,543,000
Fiscal Year 1995 Appropriation	25,453,518,000
Fiscal Year 1996 Budget Request (Revised)	24,340,032,000
Comparison with Fiscal Year 1995 Appropriation	−6,363,975,000

The Department of Housing and Urban Development was established by the Department of Housing and Urban Development Act, effective November 9, 1965. The Department is the Federal agency principally responsible for programs concerned with the Nation's housing needs and the development and preservation of the Nation's communities. In carrying out its responsibilities, the Department administers a wide variety of programs, including Federal Housing Administration mortgage insurance programs that help families become homeowners and facilitate the construction and rehabilitation of rental units; rental assistant programs for lower income families who otherwise could not afford decent housing; the Government National Mortgage Association mortgage-backed securities program that helps insure an adequate supply of mortgage credit; programs that aid community and neighborhood development and preservation; programs to help protect the homebuyer in the marketplace; and funds to assist states in their efforts to combat housing discrimination and to further fair housing.

Since the creation of HUD as a cabinet agency in 1965, a significant number of major housing bills and miscellaneous smaller bills have been signed into law creating additional programs, now totaling 240. Many of these programs, while intended to serve meritworthy goals, have led to program duplication, excessive administrative burdens, variance from HUD's core mission to provide safe, decent and affordable housing, and heavily regulated programs that lack flexibility to tailor local decisions on the best use of limited program resources.

The Administration's budget estimate for fiscal year 1996 requests the termination of 60 active programs. The Committee strongly agrees with the Administration on the need to reduce the number of HUD programs and proposes no additional appropriation for 36 of these programs. The Committee has not eliminated funding for programs such as payments for the operation of low-income housing, HOME investment partnership grants, or community development grants until appropriate replacement programs are authorized.

HOUSING PROGRAMS

HOUSING CERTIFICATES FOR FAMILIES AND INDIVIDUALS PERFORMANCE FUNDS

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0
Fiscal Year 1996 Budget Request (Revised)	6,509,955,000
Comparison with Fiscal Year 1995 Appropriation	0

The Administration's proposed housing certificates for families and individuals performance funds account would consolidate funding for the tenant-based section 8 rental assistance programs and associated counseling activities into a single program. Over time this program would replace the current subsidy system for public housing, as well as several project-based section 8 assistance programs.

The Committee recommends no appropriation for this unauthorized program in fiscal year 1996.

PUBLIC AND INDIAN HOUSING CAPITAL PERFORMANCE FUNDS

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0
Fiscal Year 1996 Budget Request	4,884,000,000
Comparison with Fiscal Year 1995 Appropriation	0

The proposed public and Indian housing capital performance funds program would consolidate all current public housing capital programs into one account, including public housing development, modernization, and amendments, as well as major reconstruction of public housing, severely distressed public housing, and Indian housing development and modernization activities.

The Committee recommends no appropriation in fiscal year 1996 for this unauthorized program.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$10,041,589,000
Fiscal Year 1995 Appropriation	11,083,000,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	−1,041,411,000

The annual contributions for assisted housing account is the principal appropriation at the Department for providing housing assistance to low-income families. Programs in this account include public housing, Indian housing, modernization, section 8 certificates and vouchers (rental assistance), housing for the elderly and disabled, preservation activities, lead-based paint grants, amendments, and housing opportunities for persons with AIDS.

The Committee is recommending an appropriation of $10,041,589,000 for annual contributions for assisted housing in fiscal year 1996. The amount recommended is $1,041,411,000 below the amount appropriated in fiscal year 1995.

Unlike previous years, the fiscal year 1996 appropriation for annual contributions for assisted housing account includes a spending limitation of $19,939,311,000. The debate involving this account is similar to many across the federal government. At a time when the federal government relies too heavily on borrowing and there is a desire to take the necessary steps to balance the budget, we face the difficult task of how to limit spending without reducing the real output—in this case, the number of affordable housing opportunities available to low income households.

In fiscal year 1996, the Congressional Budget Office estimates the annual contributions for assisted housing account will consume roughly two-thirds of HUD's estimated $30,142,000,000 of outlays. By fiscal year 2002, it is estimated that subsidized housing will require over $30,000,000,000 in outlays just to maintain FY 1995 program levels.

Most cabinet agencies are expected to freeze or reduce outlays over the next seven years. If left unchecked, annual contributions for assisted housing and the renewals of these contracts could conceivably eliminate funding for all of HUD's other programs, including community development grants, homeless assistance, funding for the HOME program, and operating assistance for public housing authorities. The Committee finds this result unacceptable.

The Committee believes local housing authorities are in a better position to know which programmatic and administrative changes are more appropriate for their residents, housing inventory, and management team. For this reason, the Committee has left many decisions open for discretion. Additional details on these changes are included under administrative provisions of the bill and this Committee report.

Within the amount provided in 1996, the Committee eliminates funding for 22 programs in the annual contributions for assisted housing account and makes the following program recommendations:

—A total of $2,500,000,000 for public housing modernization. While this is a reduction from fiscal year 1995, it represents a seven percent increase over the average funding level for the past ten years. The Committee urges housing authorities to implement diligently administrative cost reductions and proposed programmatic reforms as they become law, including the substantial reforms for this program pending in the fiscal year 1995 rescissions bill. Language is also added requiring housing authorities to grant the Secretary discretion in determining whether to demolish, dispose of, or reduce the density of housing projects under the jurisdiction of the housing authority to receive funding or enter into new modernization contracts from this or previous appropriations Acts. Such funds may be used to implement these decisions.

—A total of $100,000,000 for 1,002 Indian housing units. These funds will assist Indian housing authorities to develop additional housing units on Indian reservations where there is no alternative housing available.

—A total of $1,000,000,000 for a new earmark entitled, "special needs housing," including section 202 (elderly), section 811 (disabled), and housing opportunities for persons with AIDS (HOPWA) programs. The authorizing committees should craft legislation following the model of changes proposed by the Administration for fiscal year 1996 to reduce contract terms and operating costs of the Sections 202 and 811 programs, thus ensuring adequate program levels under this earmark.

—A total of $862,125,000 for 76,294 non-incremental section 8 vouchers to replace operating subsidies and modernization assistance for public housing and project-based assistance in section 8 projects scheduled for renewal in fiscal year 1996, to be authorized in subsequent legislation.

—A total of $200,000,000 is authorized to be transferred by the Secretary from unobligated carryover balances to a reformed preservation program, subject to authorization. The Committee is concerned about excessive costs under the existing program and is encouraged by recent discussions to authorize a capital grants funding mechanism.

—A total of $10,000,000 for lead-based paint abatement activities, as requested by the Administration.

—A total of $17,300,000 for family self-sufficiency, as requested by the Administration.

—A total of $4,941,589,000 for the renewal of expiring section 8 subsidy contracts for two years, as requested by the Administration in its revised budget estimate. The Committee is aware of the ongoing "mark-to-market" discussions involving FHA-insured properties receiving section 8 project-based assistance about to expire. While the Committee would prefer that the authorization committees fund this activity under budget reconciliation, the Committee supports the policy of renewing these section 8 contracts at the requested lower fair market rent (FMR) levels to require a baseline re-estimate of mandatory accounts. After such a baseline reestimate occurs later this year, the authorization committees ought to be able to fully offset mark-to-market legislation in January, 1996.

—A total of $610,575,000 for section 8 amendments, as requested by the Administration.

The following table outlines in detail the Committee's recommendations. The Department is expected to adhere to these recommendations, subject to normal reprogramming procedures.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING FISCAL YEAR 1996—GROSS RESERVATIONS

	Units	Cost	Term	Budget authority
New authority	NA	NA	NA	$10,041,589,000
New spending:				
Public housing modernization	NA	NA	NA	2,500,000,000
[Tenant Opportunity Program]	NA	NA	NA	[15,000,000]
Indian housing	1,002	$99,800	NA	100,000,000
Special needs housing	NA	NA	NA	1,000,000,000
[Section 202]	[NA]	[NA]	[NA]	[undetermined]
[Section 811]	[NA]	[NA]	[NA]	[undetermined]
[HOPWA]	[NA]	[NA]	[NA]	[undetermined]
Section 8 replacement assistance	76,294	5,650	2	862,125,000
Preservation [1]	NA	NA	NA	[200,000,000]
Lead-based paint	NA	NA	NA	10,000,000
Family self-sufficiency	NA	NA	NA	17,300,000
Section 8 contract renewals	435,028	5,680	2	4,941,589,000
Section 8 amendments	NA	NA	NA	610,575,000
Total	512,322	NA	NA	10,041,589,000

[1] Secretary may transfer up to $200,000,000 of unobligated carryover balances to fund a revised program.

In entering into renewed section 8 rental assistance contracts for an estimated 435,028 units, the Department is directed by the Committee to draft such agreements to allow the Secretary discretion to modify annual adjustment factors and implement other savings proposals.

Although the Committee has accepted the Administration's request to eliminate funding for the public housing drug elimination grant program, the Committee notes these activities are eligible under the public housing modernization program.

Language is added under administrative provisions to merge the assistance for the renewal of expiring section 8 subsidy contracts with the annual contributions for assisted housing account.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	[1] 0
Fiscal Year 1996 Budget Request	186,000,000
Comparison with Fiscal Year 1995 Appropriation	0

[1] $186,000,000 was provided for HOPWA in fiscal year 1995 under the annual contributions for assisted housing account.

The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the Housing Opportunities for Persons with AIDS Act, as amended. The purpose of the program is to provide states and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families. Government recipients must have a HUD-approved Comprehensive Plan/Comprehensive Housing Affordability Strategy (CHAS), with funds allocated among eligible grantees based on section 854(c) of the National Affordable Housing Act.

The budget proposed a separate appropriation in fiscal year 1996 for the Housing Opportunities for Persons with AIDS (HOPWA) program. The Committee recommends continued funding for this activity under the annual contributions for assisted housing account under the earmark for special needs housing.

FLEXIBLE SUBSIDY FUND

The flexible subsidy fund assists financially troubled subsidized projects under various FHA authorities. Subsidies are intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low- and moderate-income tenants.

As requested by the Administration, the bill provides for termination of this program in fiscal year 1996 and includes language to allow excess receipts from the section 236 program to be deposited into the flexible subsidy fund.

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The Housing and Urban Development Act of 1968, as amended, authorizes the section 236 rental housing assistance program which subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants. No new commitment activity has occurred in this program since 1973.

The budget proposes a rescission totaling $198,119,000 in fiscal year 1996. Of this amount, not more than $2,000,000 in annual contract authority and $35,119,000 in budget authority results from normal project terminations. The balance of $163,000,000 will result from section 236 mortgage prepayments. The bill includes the requested rescission of $198,119,000 for the rental housing assistance program in fiscal year 1996.

PUBLIC AND INDIAN HOUSING OPERATION PERFORMANCE FUNDS

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0
Fiscal Year 1996 Budget Request	4,884,000,000
Comparison with Fiscal Year 1995 Appropriation	0

The proposed public and Indian housing operation performance funds program would consolidate funding for several existing HUD programs, including operating subsidies for public and Indian housing, drug elimination grants, and public housing service coordinators. The program would allocate amounts according to the existing performance funding system (PFS) formula modified to include newly eligible anti-crime and social service activities. At the end of a specified transition period, the public and Indian housing operation performance funds program would be folded into the proposed tenant-based housing certificates for families and individuals performance funds program. Eligible households would be provided certificates and housing authorities would be required to compete in the marketplace for low-income residents with other providers of rental housing.

The Committee recommends no appropriation for this unauthorized program in fiscal year 1996.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

Fiscal Year 1996 Recommendation	$2,500,000,000
Fiscal Year 1995 Appropriation	2,900,000,000

Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	−400,000,000

Operating subsidies are provided to public housing authorities as a supplement to tenant rental contributions and investment income to assist in financing the operation of public housing projects. Operating subsidies, along with these other sources of income, are required to maintain operating and maintenance services and to provide for minimum project reserves. The performance funding system (PFS) formula is the primary system for determining operating subsidy amounts.

The bill includes $2,500,000,000 for the payment of public housing operating subsidies in fiscal year 1996. In combination with program reforms listed under the administrative provisions of this bill, future reforms by the authorizing committees, and the availability of alternative federal assistance, such as section 8 replacement rental assistance, this amount ought to fully fund public housing operating subsidies in fiscal year 1996.

Costs to operate and maintain public housing have increased dramatically over the past 30 years. In 1965, the federal government provided no operating subsidies or modernization assistance to maintain public housing. Constructed with federal dollars and owned by state-chartered local housing authorities, public housing remained relatively self-sufficient after construction.

Later, after enactment of the Brooke Amendment and other requirements that increased the dependence of housing authorities on federal subsidies, assistance grew to total over $8,000,000,000 in fiscal year 1995. On average, using this funding level as a base, the Department estimates it would cost less to provide section 8 ongoing rental assistance to these families than to pay operating and rehabilitation costs. This is despite the fact that the federal government has already invested approximately $90,000,000,000 to construct public housing.

While the Department's analysis would seem to support vouchering out all of public housing, it is apparent to the Committee that even last year's appropriated amount of over $8,000,000,000 provided for public housing is not sustainable. However, the Committee does agree that there are many instances where it would be cost-effective to voucher out public housing compared to rehabilitation and continued operating subsidies. Where it is workable, the Committee provides up to 76,294 section 8 rental assistance units for the purpose of vouchering out public housing.

The Committee supports the authorizing committee's recent efforts to develop a public/private management peer review board for public and assisted housing. If authorized, the Committee would consider funding such an endeavor.

The Committee directs the Department to allow immediately separate waiting lists for PHA projects. This step is necessary in order to reduce administrative costs at public housing authorities and facilitate a smooth transition into a deregulated environment.

The Committee does not intend that this language interfere with legal obligations or litigation any authority may have with regard to its individual waiting list nor does it intend that these separate lists be utilized in violation of applicable civil rights laws.

AFFORDABLE HOUSING FUND

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0
Fiscal Year 1996 Budget Request	3,339,000,000
Comparison with Fiscal Year 1995 Appropriation	0

The proposed affordable housing fund (AHF) would consolidate the funding of a wide range of programs, including the HOME Investment Partnerships program, the section 202 (elderly) and section 811 (disabled) programs, lead-based paint hazard reduction, housing counseling, HOPE grants, and the national homeownership trust demonstration program. In addition, the proposed homeless assistance fund which would consolidate six existing homeless programs and the housing opportunities for persons with AIDS programs would also be folded into AHF by fiscal years 2000 and 1998, respectively.

A community would use its AHF funds in accordance with its consolidated plan, which will identify housing needs, actions to address those needs (including strategies for low-income homeownership), and performance measures, all within the context of a larger plan for community revitalization.

The Committee recommends no appropriation for this unauthorized program in fiscal year 1996.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Fiscal Year 1996 Recommendation	$1,400,000,000
Fiscal Year 1995 Appropriation	1,400,000,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	0

The HOME investment partnerships program provides assistance to states, units of local government, Indian tribes, and insular areas, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, tenant-based rental assistance, and new construction. Jurisdictions participating in the program are required to develop a comprehensive housing affordability strategy.

The following table indicates the recommended funding level of $1,400,000,000 by category:

Local governments	$816,689,000
States	544,459,000
Indian Tribes	14,000,000
Insular Areas	2,852,000
Technical Assistance	22,000,000

HOUSING COUNSELING ASSISTANCE

Fiscal Year 1996 Recommendation	$12,000,000
Fiscal Year 1995 Appropriation	50,000,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	−38,000,000

Sections 106(a)(1)(iii) and 106(a)(2) of the Housing and Urban Development Act of 1968, as amended, authorize a program to provide a broad range of counseling services to tenants and homeowners. Based on section 106(a), the Department certifies and/or recertifies local public and private nonprofit agencies which provide HUD-approved counseling assistance. The Secretary is authorized to provide and/or contract with public or private organizations to provide information, advice and technical assistance. This may include counseling and advice to tenants and homeowners concerning property maintenance, financial management and other appropriate matters to assists them in improving their housing conditions and meeting their homeownership responsibilities. The Housing and Community Development Act of 1987 authorized an emergency homeownership counseling program to provide additional grant assistance to nonprofit agencies providing counseling assistance to all homeowners—section 106(c). The National Affordable Housing Act authorized a new pre-purchase and foreclosure-prevention counseling demonstration program—Section 106(d). The Housing and Community Development Act of 1992 authorized new counseling certification and training programs—sections 106(e) and (f).

The Committee recommends $12,000,000 for the housing counseling program in fiscal year 1996.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

	Program account	Limitation on direct loans
Fiscal Year 1996 Recommendation	$3,000,000	$36,900,000
Fiscal Year 1995 Appropriation	3,000,000	22,388,000
Fiscal Year 1996 Budget Request	3,000,000	36,900,000
Comparison with Fiscal Year 1995 Appropriation	0	+16,512,000

Section 184 of the Housing and Community Development Act of 1992 established a loan guarantee program for Native Americans to build or purchase homes on trust land. This program provides access to sources of private financing for Indian families and Indian housing authorities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land. Currently there is little or no housing available for Native Americans families, whose income exceed those allowable in the traditional Indian housing program, when they are financially capable of moving on from the traditional Indian housing rental or mutual help program. This program provides the financial vehicle for these approximately 20,000 families to construct new homes or purchase existing properties on reservations, providing the benefits of allowing Indian families to remain on their native land.

The budget requests $3,000,000 to support loan guarantees totaling $36,900,000. The bill includes the requested program subsidy and loan guarantee limitation.

HOMELESS ASSISTANCE

HOMELESS ASSISTANCE FUND

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0
Fiscal Year 1996 Budget Request	1,120,000,000
Comparison with Fiscal Year 1995 Appropriation	0

The proposed homeless assistance fund (HAF) would consolidate the following six existing homeless assistance programs: 1) Emergency shelter grants; 2) supportive housing; 3) shelter plus care; 4) section 8 moderate rehabilitation (single room occupancy); 5) safe havens/rural assistance; and 6) the innovative homeless initiatives demonstration. The HAF would distribute funds to states and localities through a needs-based formula similar to the emergency shelter grants program with 75 percent of the funds allocated to cities and counties and 25 percent reserved for states for use in areas outside of cities and counties receiving direct formula assistance. The housing assistance fund would transition into the affordable housing fund by fiscal year 2000.

States and localities would have significant flexibility both in eligible uses of the funds and in administering the fund. HAF would incorporate and extend flexibility to all eligible activities currently authorized under the existing homeless programs. Localities could choose from a broad menu of activities and exercise the flexibility to select those that best address local circumstances. Specifically, recipients would be authorized to carry out activities such as acquisition, rehabilitation, new construction, operations, real property leasing, tenant-based assistance, project-based assistance, supportive services, administration, and capacity building.

The committee recommends no appropriation for this unauthorized program in fiscal year 1996.

HOMELESS ASSISTANCE GRANTS

Fiscal Year 1996 Recommendation	$[1] 873,000,000
Fiscal Year 1995 Appropriation	[2] 823,000,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	+50,000,000

[1] Includes proposed deferral of $297,000,000 available for obligation September 30, 1995.
[2] Excludes proposed deferral of $297,000,000.

The homeless assistance grants account provides funding for four homeless programs under title IV of the McKinney Act, including the emergency shelter grants program, supportive housing program, the section 8 moderate rehabilitation (single room occupancy) program, and the shelter plus care program. This account also supports activities eligible under the innovative homeless initiatives demonstration program.

The bill includes $576,000,000 for homeless assistance grants in fiscal year 1996. When combined with $297,000,000 proposed to be available for obligation on September 30, 1995, HUD homeless assistance grants will total $873,000,000 for fiscal year 1996. This is $50,000,000 more than the effective amount available in fiscal year 1995 and the amount appropriated in fiscal year 1994.

The Committee remains committed to the cause of eliminating homelessness from our Nation's streets. Part of this problem is the lack of community mental facilities, such as those promised at the time of deinstitutionalizing our mentally ill. To the extent the Department is able to focus homeless assistance complemented by such facilities, the Committee supports such a comprehensive approach.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY OPPORTUNITY FUND

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	0

Fiscal Year 1996 Budget Request	4,850,000,000
Comparison with Fiscal Year 1995 Appropriation	0

The proposed community opportunity fund (COF) consists of two related components: the community development block grant (CDBG) program and a new job creation performance bonus pool. Under the Administration's proposal, a locality's consolidated plan would serve as the planning, application and reporting mechanism for COF funds. Under the consolidated plan, the community would identify community and neighborhood development needs, actions to address those needs (including specific activities on which CDBG dollars would be spent), and the measures against which its performance would be judged.

The COF would consolidate a wide range of program activities and initiatives, including the existing CDBG program, together with the section 108 loan guarantee program, the economic development initiative, the leveraged investment for tomorrow (LIFT) program, the community viability fund, the colonias assistance program, and an array of items funded under the authority of section 107 (special purpose grants) of the Housing and Community Development Act of 1974, as amended.

The Committee recommends no appropriation for this unauthorized program in fiscal year 1996.

COMMUNITY DEVELOPMENT GRANTS

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$4,600,000,000
Fiscal Year 1995 Appropriation	4,600,000,000
Fiscal Year 1996 Budget Request	0
Comparison with Fiscal Year 1995 Appropriation	0

Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government and states for local community development programs. The primary objective of the block grant program is to develop viable urban communities providing decent affordable housing and a suitable living environment and to expand economic opportunity, principally for persons of low- and moderate-income.

Section 107 special purpose grants provide funds for various purposes. These categories include providing assistance for community development for insular areas; historically black colleges and universities, work study; funding for states and units of general local government to correct any miscalculation of their share of funds under section 1056; joint community development; regulatory barrier removal; community outreach; and technical assistance in planning, developing and administering programs under Title I.

The bill provides $4,600,000,000 for community development grants in fiscal year 1996. This amount is equal to the appropriation for fiscal year 1995.

Bill language earmarks $46,000,000 for Indian tribes and $19,500,000 for section 107 special purpose grants. Section 107 funding includes $7,000,000 for insular areas, $6,000,000 for the work study program, including $3,000,000 for Hispanic-serving institutions, and $6,500,000 for historically black colleges and universities.

The Committee is encouraged by the activities in the Department to redevelop abandoned and contaminated properties as part of an economic strategy for economically distressed areas with demonstrated potential for productive reuse. The Committee strongly supports efforts to enable redevelopment of economically distressed communities impacted by brownfields under eligible programs and statutes of the Department, like CDBG and CRA, and recommends expansion of these programs.

The Committee continues to encourage HUD to support joint projects undertaken by local units of government and historically black colleges and universities where such projects benefit public, subsidized and elderly housing residents and the institution. The Committee believes that such joint uses maximize the benefit of expending limited tax resources on capital projects which are utilized by low- and middle-income students and low-income residents in the community surrounding the college or university.

The bill also includes language limiting guaranteed loans under section 108 to $1,000,000,000 and provides $225,000 for administrative expenses to be transferred to the departmental salaries and expenses account. This is $1,000,000,000 and $675,000, respectively, less than the Administration proposed for similar activities under the proposed community opportunity fund program account.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Fiscal Year 1996 Recommendation	$34,000,000
Fiscal Year 1995 Appropriation	42,000,000
Fiscal Year 1996 Budget Request	42,000,000
Comparison with Fiscal Year 1995 Appropriation	−8,000,000

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to the HUD mission. These functions are carried out internally; through contracts with industry, nonprofit research organizations, and educational institutions; and through agreements with state and local governments and other federal agencies.

The bill includes $34,000,000 for research and technology in fiscal year 1996.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Fiscal Year 1996 Recommendation	$30,000,000
Fiscal Year 1995 Appropriation	33,375,000
Fiscal Year 1996 Budget Request	45,000,000
Comparison with Fiscal Year 1995 Appropriation	−3,375,000

The Fair Housing Act, title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, prohibits discrimination in the sale, rental and financing of housing and authorizes assistance to state and local agencies in administering the provisions of the fair housing law.

The bill provides $30,000,000 for the fair housing assistance program (FHAP). The budget requested $45,000,000, providing funding for both FHAP and the fair housing initiatives program (FHIP).

Language is added under administrative provisions prohibiting the Department from promulgating regulations on property insurance regulations.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	By Transfer			
		FHA Funds	GNMA Funds	CPD	Total
FY 1996 Recommendation	$447,584,000	$495,355,000	$8,824,000	$225,000	$951,988,000
FY 1995 Appropriation	451,219,000	495,355,000	8,824,000	0	955,398,000
FY 1996 Budget Request	479,479,000	527,782,000	9,101,000	900,000	1,017,262,000
Comparison with 1995 Approp	−3,635,000	0	0	+225,000	−3,410,000

The Administration requests a single appropriation to finance all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, except the Office of Inspector General and the Office of Federal Housing Enterprise Oversight. These activities include housing, mortgage credit, and secondary market programs; community planning and development programs; departmental management; legal services; and field direction and administration. A total of $1,017,262,000 is requested for salaries and expenses of the Department in fiscal year 1996, an increase of $61,639,000 above 1995.

The bill does not accept these proposed increases and provides $951,988,000, slightly less than the fiscal year 1995 allocation of $955,623,000. This includes transfers of $495,355,000 from the various funds of FHA, $8,824,000 from the Government National Mortgage Association, and $225,000 transferred from the Office of Community Planning and Development for the operation of the Section 108 loan guarantee program.

The fiscal year 1996 appropriation for HUD salaries and expenses includes $2,000,000 for the Housing Assistance Council and $1,000,000 for the Native American Indian Housing Council. Previously, these activities were funded under the research and technology account.

The Committee also directs the Department to attain fiscal year 1997 staffing levels by September 30, 1996 and provide the Committees on Appropriations regular status reports on its implementation.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

	Appropriation	By Transfer	
		FHA Funds	Total
FY 1996 Recommendation	$36,427,000	$10,961,000	$47,388,000
FY 1995 Appropriation	36,427,000	10,961,000	47,388,000

	Appropriation	By Transfer FHA Funds	Total
FY 1996 Budget Request	36,968,000	11,283,000	48,251,000
Comparison with 1995 Approp	0	0	0

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies which create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations. Inspection services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

The bill includes $47,388,000 for the Office of Inspector General in 1996, including $10,961,000 from the various funds of the FHA. These are the same amounts as provided in 1995. This amount, together with $509,000 from the consolidated fee account, will provide $47,897,000 for OIG activities in 1996. In addition, the Committee directs the OIG to attain FY 1997 staffing levels by September 30, 1996.

Office of Federal Housing Enterprise Oversight

salaries and expenses

(including transfer of funds)

Fiscal Year 1996 Recommendation	$14,895,000
Fiscal Year 1995 Appropriation	15,451,000
Fiscal Year 1996 Budget Request	14,895,000
Comparison with Fiscal Year 1995 Appropriation	−556,000

This appropriation funds the Office of Federal Housing Enterprise Oversight (OFHEO), which was established in 1992 to regulate the financial safety and soundness of the two housing government-sponsored enterprises (GSEs)—the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The Office was authorized in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, and gave the regulator enhanced authority to enforce these standards. In addition to financial regulation, the OFHEO monitors the GSEs compliance with affordable housing goals that were contained in the Act.

The bill includes the budget request of $14,895,000 for the OFHEO in fiscal year 1996. These funds will be collected from Fannie Mae and Freddie Mac and will support 69 staff years.

Bill language is also added under administrative provisions to change the assessment collection dates for OFHEO to October 1st and April 1st of the fiscal year. This will put OFHEO's collection dates into the same fiscal year cycle as their budget, removing any need for HUD to provide operating funds for OFHEO in advance of assessment collections.

FEDERAL HOUSING ADMINISTRATION

FHA-MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative expenses
FY 1996 Recommendation	$200,000,000	$110,000,000,000	$308,846,000
FY 1995 Appropriation	180,000,000	100,000,000,000	308,846,000
FY 1996 Budget Request	200,000,000	110,000,000,000	341,595,000
Comparison with 1995 Appropriation	+20,000,000	+10,000,000,000	0

Beginning in 1992, the Federal Housing Administration (FHA) was split into two separate accounts. One account is the FHA-mutual mortgage insurance program account and includes the mutual mortgage insurance (MMI) and cooperative management housing insurance (CMHI) funds. The other account is the FHA-general and special risk program account and includes the general insurance (GI) and special risk insurance (SRI) funds.

The mutual mortgage insurance program account covers the unsubsidized programs. The MMI fund consists of the basic single-family home mortgage program, the largest of all the FHA programs. The CMHI fund contains the cooperative housing insurance program which provides mortgages for cooperative housing projects of more than five units which are occupied by members of a cooperative housing corporation.

The bill includes language to limit the commitments in the FHA-MMI program account to $110,000,000,000 in fiscal year 1996 and provides an appropriation of $308,846,000 for administrative expenses. Of the amount for administrative expenses, $302,056,000 is transferred to the salaries and expenses appropriation and $6,790,000 is transferred to the Office of Inspector General appropriation. The bill also includes the requested direct loan limitation of $200,000,000.

FHA-GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation of direct loans	Limitation of guaranteed loans	Administrative expenses	Program costs
FY 1996 Recommendation	$120,000,000	$15,000,000,000	$197,470,000	$0
FY 1995 Appropriation	220,000,000	20,885,072,000	197,470,000	188,395,000
FY 1996 Budget Request	120,000,000	17,400,000,000	197,470,000	188,395,000
Comparison with 1995 Appropriation	100,000,000	−5,885,072,000	0	−188,395,000

The general and special risk insurance funds contain the largest number of programs administered by the FHA. The GI funds cover a wide variety of special purpose single and multifamily programs, including loans for property improvements, manufactured housing, multifamily rental housing, condominiums, housing for the elderly, hospitals, group practice facilities, and nursing homes. The SRI fund includes insurance programs for mortgages in older declining urban areas which would not be otherwise eligible for insurance, mortgages with interest reduction payments, those for experimental housing, and for high-risk mortgagors who would not normally be eligible for mortgage insurance without housing counseling.

The bill proposes to limit loan guarantee commitments for the FHA-general and special risk insurance program account to $15,000,000,000 in fiscal year 1996 instead of the $17,400,000,000 as requested by the Administration. This limitation assumes a one-year suspension of those program activities that require a credit subsidy, including the multifamily development, risk-sharing programs, and section 221 refinancing programs. As a result, no appropriation is requested for GI–SRI program costs in fiscal year 1996. The FHA programs unaffected by the one-year suspension include nursing homes, hospitals, single family condominiums, and Title I (home improvement and mobile home) loans.

It is not the intent of the Committee to end FHA multifamily insurance for those programs that currently require a federal credit subsidy. Instead, the Committee urges the authorizing committees to act expeditiously in enacting program modifications that will enable these multifamily insurance programs to become self-sufficient. To the extent fiscal year 1995 program subsidies remain available into fiscal year 1996, the Committee expects the Department to continue issuing guarantees for the programs in question.

The Committee recommends $197,470,000 for administrative expenses. This amount is equal to the budget estimate in order to allow the Department to implement mark-to-market reforms. The Committee also recommends a direct loan limitation of $120,000,000 and the sale of $2,600,000,000 of obligations established under section 238 and 519 of the National Housing Act in fiscal year 1996.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation of guaranteed loans	Administrative expenses
FY 1996 Recommendation	$110,000,000,000	$8,824,000
FY 1995 Appropriation	142,000,000,000	8,824,000
FY 1996 Budget Request	110,000,000,000	9,101,000
Comparison with 1995 Appropriation	−32,000,000,000	0

The guarantees of mortgage-backed securities program facilitates the financing of residential mortgage loans insured or guaranteed by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA) and the Farmers Home Administration (FmHA). Funds are provided through investments in and-term securities guaranteed by the Government National Mortgage Association (GNMA) which are backed by pools of such mortgages. The investment proceeds are used in turn to finance additional mortgage loans. Institutions which provide and service mortgages (such as mortgage companies, commercial banks, savings banks, and savings and loan associations) assemble pools of mortgages and issue securities backed by the pools. The program has attracted nontraditional sources of credit into the housing market. Approximately 70 percent of the funds used to purchase GNMA securities come from nontraditional mortgage investors, including pension and retirement funds, life insurance companies and individuals.

The bill includes language to limit loan guarantee commitments for mortgage-backed securities of the Government National Mortgage Association to $110,000,000,000 in 1996 and provides $8,824,000 to fund administrative expenses. The amount for administrative expenses is transferred to the salaries and expenses appropriation.

The Committee also directs the General Accounting Office to prepare a review by September 1, 1995, of the GNMA fee structure and the impact of bidding off the servicing fees of mortgage-backed securities. It appears significant savings could be gained by moving away from a statutory fee structure and allowing the marketplace to determine appropriate servicing fees. Specifically, GAO should review the impact of this change on the private sector, potential savings to the federal government if GNMA were allowed to collect the savings, and, if there are savings, how the federal government might transfer these savings to FHA, VA, and FmHA borrowers through lower interst rates or other measures.

ADMINISTRATIVE PROVISIONS

SEC. 201. The bill includes several modifications to the public housing program, including: (a) A one-year suspension of the 30 percent of adjusted income rent formula for public housing, otherwise known as the Brook Amendment; (b) establishment of a minimum rent for public housing at $50 per unit and the cost of utilities, with additional flexibility provided to housing authorities to establish higher minimum rents for certain groups of households; (c) ceiling rents to stabilize rents for employed residents; and, (d) a one-year suspension of the one-for-one public housing replacement requirement.

SEC. 202. The bill includes several modifications to the section 8 program, including: (a) An increase in tenant rental contributions from 30 to 32 percent of adjusted income, to be self-implementing; (b) establishment of a $50 per unit minimum rent, to be implemented no later than October 30, 1995; (c) adoption of the Administration's proposed reduction of fair market rentals (FMR) from the 45th to 40th percentile; (d) reduced annual adjustment factors of 1 percent for residents who stay in their units and a limitation on adjustments if the rent charged for the unit exceeds the local FMR; (e) adoption of the Administration's proposed reduction in administrative fees for the section 8 program to 7 percent; and (f) the delay of the issuance and reissuance of section 8 vouchers and certificates for six months during fiscal year 1996, instead of three months as proposed by the Administration.

SEC. 203. The bill provides a one-year suspension of federal preferences for public and assisted housing. In its place, local PHAs may establish their own preferences. Very low (below 50 percent of median income) and low-income (below 80 percent of median income) targeting requirements remain in place for both public and assisted housing programs.

SEC. 204. The bill includes language to merge the annual contributions for assisted housing and the assistance for the renewal of expiring Section 8 subsidy contracts accounts. This will allow greater administrative flexibility for the Department in administering section 8 assistance.

SEC. 205. This provision of the bill extends for one year the home equity conversion mortgage demonstration program, enabling an additional 5,000 mortgages.

SEC. 206. The bill provides debt forgiveness for health care facilities in Groveton and Hubbard, Texas. The Congressional Budget Office estimates there is no budgetary impact as a result of forgiving these loans.

SEC. 207. This provision provides local housing authorities the option to delay the expenditures of public housing development funds approved by the Secretary. The annual contributions for assisted housing account includes a spending limitation for the first time and this provision ought to assist the Secretary in meeting this limitation if savings do not materialize as estimated.

SEC. 208. The bill includes language to change the assessment collection dates for the Office of Federal Housing Enterprise Oversight (OFHEO) to October 1st and April 1st of the fiscal year. This will put OFHEO's collection dates into the same fiscal year cycle as their budget, removing any need for HUD to provide operating funds for OFHEO in advance of assessment collections.

SEC. 209. The bill includes several spending limitation provisions, including:

(a) prohibition on the use of funds to sign, promulgate, implement, or enforce any requirement or regulation relating to the application of the Fair Housing Act to the business of property insurance;

(b) prohibition on the use of funds to finalize the Department's proposed rule dated July 21, 1994 regarding amendments to Regulation X, the Real Estate Settlement Procedures Act (RESPA) regulation;

(c) consolidation of the Assistant Secretary for Congressional and Intergovernmental Relations with the Assistant Secretary for Public Affairs. In addition to eliminating one assistant secretary position, the Committee assumes this action will result in the elimination of four deputy assistant secretary positions. In addition, the Committee assumes the elimination of three offices in the Office of the Secretary that overlap program offices;

(d) reduction of Schedule C and non-career SES positions by just over 20 percent, roughly the same amount as assumed in the budget resolution. While Congress and its committees have undergone significant downsizing, much of the executive branch remains relatively unchanged. Under this provision, there will remain up to 94 Schedule C and non-career SES positions at the Department for fiscal year 1996;

(e) prohibition of the use of funds to take action against any State or local entity that has enacted a law or regulation requiring the spoken or written use of the English language or declaring English the official language.

(f) prohibition of the use of funds to lobby or influence any legislation before Congress. The Committee is concerned about "reinvention" gatherings that occurred earlier this year in an apparent attempt to influence housing legislation. Such activities should be clearly distinct from rallies or common political gatherings.

Sec. 210. The bill includes language clarifying the definitions regarding a project for residential rental property.

TITLE III

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$20,265,000
Fiscal Year 1995 Appropriation	20,265,000
Fiscal Year 1996 Budget Request	20,265,000
Comparison with Fiscal Year 1995 Appropriation	0

The Commission is responsible for the administration, operation and maintenance of cemetery and war memorials to commemorate the achievements and sacrifices of the American Armed Forces where they have served since April 6, 1917. In performing these functions, the American Battle Monuments Commission maintains twenty-four permanent American military cemetery memorials and twenty-nine monuments, memorials, markers and offices in fifteen foreign countries, the Commonwealth of the Northern Mariana Islands, and the British dependency of Gilbralter. In addition, four memorials are located in the United States: the East Coast Memorial in New York; the West Coast Memorial, The Presidio, in San Francisco; the Honolulu Memorial in the National Memorial Cemetery of the Pacific in Honolulu, Hawaii; and the American Expeditionary Forces Memorial in Washington, D.C. A new memorial in Washington D.C., the Korean War Veterans Memorial, is scheduled to be dedicated in July, 1995.

The Committee recommends the budget request of $20,265,000 for fiscal year 1996 to administer, operate and maintain the Commission's monuments, cemeteries, and memorials throughout the world. These funds will support a staffing level of 371, the same as in the current year.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	125,000,000
Fiscal Year 1996 Budget Request	123,650,000
Comparison with Fiscal Year 1995 Appropriation	−125,000,000

The CDFI fund provides grants, loans, and technical assistance to new and existing community development financial institutions such as community development banks, community development credit unions, revolving loan funds, and micro-loan funds. Recipients must use the funds to support mortgage, small business, and economic development lending in currently underserved, distressed neighborhoods. The CDFI fund also operates as an information clearinghouse for community development lenders.

The Committee recommends termination of this program and allows funds provided in fiscal year 1995 to be used for termination costs in fiscal year 1996.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$40,000,000
Fiscal Year 1995 Appropriation	42,509,000
Fiscal Year 1996 Budget Request	44,000,000
Comparison with Fiscal Year 1995 Appropriation	−2,509,000

The Consumer Product Safety Act established the Consumer Product Safety Commission, an independent Federal regulatory agency, to reduce unreasonable risk of injury associated with consumer products. Its primary responsibilities and overall goals are: to protect the public against unreasonable risk of injury associated with consumer products; to develop uniform safety standards for consumer products, minimizing conflicting State and local regulations; and to promote research into prevention of product-related deaths, illnesses, and injuries.

The Committee recommends an appropriation of $40,000,000 for fiscal year 1996, a decrease of $2,509,000 from the fiscal year 1995 level and $4,000,000 below the President's budget request.

The Committee recommendation includes a reduction of $1,200,000 which was included in the budget base for enforcement of the Fire Safe Cigarette Act. Since the Act has not been enacted, these resources are not required by the Commission for enforcement. The Committee also recommends a general reduction of $2,800,000 which is to be allocated proportionally among the Commission's Agency Management, Hazard Assessment and Reduction, and Compliance and Enforcement programs.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Fiscal Year 1996 Recommendation	0
Fiscal Year 1995 Appropriation	$575,000,000
Fiscal Year 1996 Budget Request	817,476,000
Comparison with Fiscal Year 1995 Appropriation	−575,000,000

The Corporation for National and Community Service, a Corporation owned by the Federal Government, was established by the National and Community Service Trust Act of 1993 to enhance opportunities for national and community service and provide educational awards. The Corporation makes grants to States, institutions of higher education, public and private nonprofit organizations, and others to create service opportunities for a wide variety of individuals such as students, out-of-school youth, and adults through innovative, full-time national and community service programs. National service participants may receive educational awards which may be used for full-time or part-time higher education, vocational education, job training, or school-to-work programs. Funds for the Volunteers in Service to America and the National Senior Service Corps are provided in the Labor-Health and Human Services-Education Appropriations bill.

The House Committee on Economic and Educational Opportunities' Oversight and Investigations Subcommittee has raised questions about the AmeriCorps program. Those investigations indicate that other Federal agency funds are being used in the AmeriCorps program and that some programs may have been involved in quasi-political activities. These are serious allegations and the Committee intends to closely monitor these investigations and hearings.

The Corporation was first funded in fiscal year 1994 at the $365,000,000 level. The fiscal year 1995 appropriation of $575,000,000 is to be reduced by a $105,000,000 rescission to $470,000,000. The fiscal year 1996 budget request is $817,476,000. The fiscal year 1996 budget allocation for VA, HUD, and Independent Agencies represents a significant decrease below the fiscal year 1995 allocation. Funding an increase as requested for this program is not possible within the allocation. The Committee recommends that the new national service program be terminated in fiscal year 1996 due to the tight budget situation. This recommendation is in agreement with the recently adopted conference agreement on the Fiscal Year 1996 Budget Resolution.

The national service program is structured so that the majority of funds are obligated at the end of the fiscal year and spent during the next fiscal year. As such, funds will be needed in fiscal year 1996 to administer the 1995 program grants and for necessary termination costs. The bill includes language that will permit the Corporation to use fiscal year 1995 funds for necessary administrative expenses and termination costs. The funds are also made available to cover necessary administrative and termination costs of the Office of Inspector General.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	0
Fiscal Year 1995 Appropriation	$2,000,000
Fiscal Year 1996 Budget Request	2,000,000
Comparison with Fiscal Year 1995 Appropriation	−2,000,000

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. Without the national service program, the Inspector General is not needed. The Committee recommends that this activity be terminated. All necessary fiscal year 1996 administrative and termination costs for the Office of Inspector General will be provided from fiscal year 1995 program funds of the Corporation.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$9,000,000
Fiscal Year 1995 Appropriation	9,429,000
Fiscal Year 1996 Budget Request	9,820,000
Comparison with Fiscal Year 1995 Appropriation	−429,000

The Veterans Benefits Administration Adjudication Procedure and Judiciary Review Act established the Court of Veterans Appeals. The Court reviews appeals from Department of Veterans Affairs claimants seeking review of a benefit denial. The Court has the authority to overturn findings of fact, regulations and interpretations of law.

The bill includes $9,000,000 for the Court of Veterans Appeals in fiscal year 1996. This amount is a decrease of $429,000 below the current year appropriation. The reduction is to be taken at the Court's discretion, subject to normal reprogramming procedures.

The bill also includes requested language permitting not to exceed $678,000 for the *pro bono* program. The Committee notes that the Legal Services Corporation is requesting $400,000 for the *pro bono* program in its fiscal year 1996 budget. Such an appropriation would permit the Court's request to be reduced accordingly.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$11,296,000
Fiscal Year 1995 Appropriation	12,017,000
Fiscal Year 1996 Budget Request	14,134,000
Comparison with Fiscal Year 1995 Appropriation	−721,000

The Secretary of the Army is responsible for the administration, operation and maintenance of Arlington National Cemetery and the Soldiers' and Airmen's Home National Cemetery. At the close of fiscal year 1994, the remains of 250,784 persons were interred/inured in these cemeteries. Of this total, 220,036 persons were interred and 16,461 remains inured in the Columbarium in Arlington National Cemetery, and 14,287 remains were interred in the Soldiers' and Airmen's Home National Cemetery. There were 3,250 interments and 1,542 inurnments in fiscal year 1994. It is projected that there will be 3,500 interments and 1,700 inurnments in fiscal year 1995; and 3,500 interments and 1,800 inurnments if fiscal year 1996. In addition to its principal function as a national cemetery, Arlington is the site of approximately 1,900 nonfuneral ceremonies each year and has approximately 4,000,000 visitors annually.

The Committee recommends $11,296,000 and 130 full-time equivalents to administer, operate, maintain and provide ongoing development at the Arlington National and Soldiers' and Airmen's Home National Cemeteries for fiscal year 1996. The reduction is to taken at the Army's discretion, subject to normal reprogramming procedures.

ENVIRONMENTAL PROTECTION AGENCY

Fiscal Year 1996 Recommendation	$4,892,430,000
Fiscal Year 1995 Appropriation	7,240,887,000
Fiscal Year 1996 Budget Request	7,359,409,000
Comparison with Fiscal Year 1995 Appropriation	−2,348,457,000

The Environmental Protection Agency was created by Reorganization Plan No. 3 of 1970, which consolidated nine programs from five different agencies and departments. Major EPA programs include air and water quality, drinking water, hazardous waste, pesticides, radiation, toxic substances, enforcement and compliance assurance, pollution prevention, oil spills, Superfund and the Leaking Underground Storage Tank (LUST) program. In addition, EPA provides Federal assistance for wastewater treatment, drinking water facilities, and other water infrastructure projects. The agency is responsible for conducting research and development, establishing environmental standards through the use of risk assessment and cost-benefit analysis, monitoring pollution conditions, seeking compliance through a variety of means, managing audits and investigations, and providing technical assistance and grant support to states and tribes, which are delegated authority for actual program implementation. Finally, the Agency participates in some international environmental activities.

Among the statutes for which the Environmental Protection Agency has sole or significant oversight responsibilities are:

—National Environmental Policy Act of 1969, as amended.
—Federal Insecticide, Fungicide, and Rodenticide Act, as amended.
—Toxic Substances Control Act, as amended.
—Federal Water Pollution Control Act, as amended.
—Marine Protection, Research, and Sanctuaries Act of 1972, as amended.
—Oil Pollution Act of 1990.
—Public Health Service Act (Title XIV), as amended.
—Solid Waste Disposal Act, as amended.
—Clean Air Act, as amended.
—Comprehesive Environmental Response, Compensation, and Liability Act of 1980, as amended.
—Emergency Planning and Community Right-to-Know Act of 1986.
—Pollution Prevention Act of 1990.
—Resource Conservation and Recovery Act, as amended.

For fiscal year 1996, the Committee has recommended a total program and support level of $4,892,430,000, a reduction of $2,348,457,000 from the fiscal year 1995 level and $2,466,979,000 from the budget request. As noted by the Committee in the report accompanying the fiscal year 1995 appropriation bill, this reduction is recommended without prejudice and reflects the severe fiscal constraints that must necessarily accompany any legitimate effort to balance the Federal budget.

Of the amounts approved in the following appropriations accounts, the Agency must limit transfers of funds between programs and activities to not more than $500,000, except as specifically noted, without prior approval of the Committee. No changes may be made to any account or program element, except as approved by the Committee, if it is construed to be policy or a change in policy. Any activity or program cited in the report shall be construed as the position of the Committee and should not be subject to reductions or reprogramming without prior approval of the Committee. It is the intent of the Committee that all carryover funds in the various appropriations accounts are subject to the normal reprogramming requirements outlined above. The Agency is expected to comply with all normal rules and regulations in carrying out these directives. Finally, the Committee wishes to continue to be notified regarding reorganizations of offices, programs, or activities prior to the planned implementation of such reorganizations.

RESEARCH AND DEVELOPMENT

Fiscal Year 1996 Recommendation	$384,052,000
Fiscal Year 1995 Appropriation	350,000,000
Fiscal Year 1996 Budget Request	426,661,000
Comparison with Fiscal Year 1995 Appropriation	+34,052,000

The Research and Development account funds all extramural Environmental Protection Agency research (except Hazardous Substances Superfund, LUST, and Oil Spill Response research activities) carried out through grants, contracts, and cooperative agreements with other Federal agencies, states, universities, and private business, as well as on an in-house basis. This account also funds supplies and operating expenses for all Agency research. Research addresses a wide range of environmental and health concerns across all environmental media and encompasses both long-term basic and near-term applied research to provide the scientific knowledge and technologies necessary for preventing, regulating, and abating pollution, and to anticipate merging environmental issues.

The Committee has recommended $384,052,000 for Research and Development during fiscal year 1996, an increase of $34,052,000 above the fiscal year 1995 level, and a decrease of $42,609,000 from the 1996 budget request.

The Committee's recommended appropriation includes the following amounts:

$500,000 for the Mickey Leland National Urban Air Toxics Research Center.

$3,000,000 for the Gulf Coast Hazardous Substance Research Center.

$2,000,000 for the Water Environment Research Foundation.

$3,000,000 for the American Water Works Research Foundation.

$730,000 to continue the study of livestock and agricultural pollution abatement.

$2,000,000 for continued research on urban waste management at the University of New Orleans.

$1,000,000 to continue the PM–10 clean air study in the San Joaquin Valley, California.

$5,000,000 for the Environmental Research Laboratory in Duluth, Minnesota.

$1,500,000 for the Resource and Agriculture Policy Systems program at Iowa State University.

$2,000,000 for research of the damage to waters in the Adirondacks at the Fresh Water Institute on Lake George.

$500,000 for oil spill remediation research at the Spill Remediation Research Center.

Reductions from the budget request include the following:

$79,200,000 for the Environmental Technology Initiative. The Committee believes that a great many grants issued under this program are duplicative of work being done or work already completed through research grants issued by other Federal and State agencies or universities. Moreover, many of these grants, though small in dollar amount, fund "research" which is suspect at best in the context of developing good environmental science for application in focusing on and resolving environmental concerns. The Committee has provided no funds for the ETI program and suggests that available resources be utilized in a more effective manner.

$1,639,000 for the Gulf of Mexico Program. Research and Development is a small component of this unauthorized effort by EPA to leverage funds of other Federal departments and agencies in the development of an oversight program aimed at garnering an increased Federal role in the Gulf of Mexico and in the watersheds of the Gulf. Until and unless EPA and other federal entities are specifically directed to develop such a program for the Gulf of Mexico and the broad area that makes up its watershed, the Committee directs that all involvement in this program by the EPA shall cease.

Again this year, the Committee notes that the Experimental Program to Stimulate Competitive Research (EPSCoR) is designed to improve the scientific and technological capacity of states with less developed research infrastructure. Developed with NASA and the National Science Foundation as partners, the Committee strongly urges EPA's continued participation in this program at an appropriate financial level.

The Committee wishes to express its support for the new direction the Agency has chosen to take its research program, as outlined by the Assistant Administrator at the Committee's fiscal year 1996 budget hearings. With peer reviewed, meaningful, and quality research, the Agency will be better prepared to scientifically support its rulemaking activity, which has been criticized in recent years as often being deficient of a sound science base. Moreover, this new direction will foster a better foundation for the development of longer-term environmentally and scientifically sound policies and statutes for the consideration of the Congress. The Committee expects the Agency to make extensive use of the Office of Research and Development (ORD) so that its programs and actions on an agency-wide basis are justified with sound and credible science.

As part of the peer review process, the Committee expects the ORD to place more reliance on oversight and review of its ongoing research by the Science Advisory Board. The Board was created to offer scientific guidance in the development of research and policies of the Agency, and better use of the Board throughout the Agency would likely enhance the credibility of much of what is suggested by the program offices.

The Committee supports the recommendation of the Science Advisory Board and the National Research Council's review of the Environmental Monitoring and Assessment Program (EMAP). In particular, the Committee directs EPA's Office of Research and Development to maintain its ongoing commitment to the Middle Atlantic Region in terms of funding and workyears to complete the demonstration and evaluation of the EMAP approach in a specific geographic area.

Finally, in light of the budget constraints that are not likely to diminish in the near term, the Committee suggests that the Agency actively review the possibility of utilizing DOE's National Laboratories for all appropriate research. These are generally excellent facilities with fine personnel, and could offer budget savings in lieu of building new or repairing current facilities. The Committee asks that ORD submit a report by April 1, 1996 outlining the results of this review with a recommendation by the Agency of what, if any, use of these National Labs is appropriate and the time-frame for any such proposed use.

As part of its ongoing efforts with respect to lead exposure, the Committee recommends that the Office of Research and Development carry out demonstration projects that identify, in cooperation with the Department of Housing and Urban Development, the lowest cost housing interventions that effectively reduce occupant exposure to lead; develop, in cooperation with the National Institute of Standards and Technology, performance curves for rhodizonate-based chemical spot tests; and characterize, in cooperation with the Occupational Safety and Health Administration and owners of multi-family housing, worker exposure to lead during routine operations, maintenance, and repair activities in housing units.

ENVIRONMENTAL PROGRAMS AND COMPLIANCE

Fiscal Year 1996 Recommendation	$1,881,614,000
Fiscal Year 1995 Appropriation	2,339,000,000
Fiscal Year 1996 Budget Request	2,766,121,000
Comparison with Fiscal Year 1995 Appropriation	−457,386,000

The new Environmental Programs and Compliance account encompasses a broad range of abatement, prevention, and compliance, and personnel compensation, benefits and travel expenses for all media and programs of the Agency except Hazardous Substance Superfund, Leaking Underground Storage Tank Trust Fund, Oil Spill Response, and the Office of Inspector General. Abatement, prevention, and compliance activities include setting environmental standards, issuing permits, monitoring emissions and ambient conditions and providing technical and legal assistance toward compliance and oversight. In most cases the states are directly responsible for actual operation of the various environmental programs. In addition to program costs, this account funds administrative costs associated with the operating programs of the Agency, including support for executive direction, policy oversight, resources management, general office and building services for program operations, and direct implementation of all Agency environmental programs (except those previously mentioned) for Headquarters, the ten EPA Regional Offices, and all field operations.

For fiscal year 1996, the Committee has recommended $1,881,614,000, a reduction of $457,386,000 from the comparable fiscal year 1995 level, and $884,507,000 from the comparable 1996 budget request. This new account encompasses those activities previously conducted through the "Abatement, Control, and Compliance" and "Program and Research Operations" accounts. Bill language is included which makes this appropriation available until expended, and with respect to this account only, the Agency must limit transfers of funds between programs and activities to not more than $500,000 without prior notice to the Committee and not more than $1,000,000 without prior approval of the Committee. Except for this difference, all other reprogramming procedures as outlined previously will apply.

The Committee's recommended appropriation includes funding for the following items:

—$3,000,000 for the Southwest Center for Environmental Research and Policy.

—$1,500,000 for wastewater operator training grants under Sec. 104(g) of the Clean Water Act.

—$3,000,000 for the Great Waters Program.

—$350,000 for the Long Island Sound Office.

—$14,700,000 for the Great Lakes Program Office.

—$6,000,000 for the Pollution Prevention State Grant Program.

—$21,000,000 for Chesapeake Bay program activities, including oyster reef construction.

—$1,000,000 for the Sacramento River Toxic Pollutant Control Program to be cost-shared with Sacramento County.

—$1,000,000 for continuing work on the water quality management plan for Skaneatles, Owasco and Otisco Lake watersheds.

—$300,000 for the Courtland County aquifer protection plan.

—$8,500,000 for rural water technical assistance activities. These funds are for the National Rural Water Association's training and technical assistance program, the NRWA wellhead/groundwater protection program, the Rural Community Assistance program, the Small Flows Clearinghouse, and the National Underground Injection Council. These funds should be distributed in the same proportion as in fiscal year 1995. The Committee expects that these funds will be used to provide technical assistance to communities. Also, the Committee urges EPA and these organizations to increase efforts to assist small, rural communities. Finally, these funds should be used to fund existing state water programs, particularly those state programs that match Federal dollars.

—$500,000 for the continuation of the Small Public Water Systems Technology Assistance Center at Montana State University.

—$300,000 for a feasibility study for the delivery of water from the Tiber Reservoir to Rocky Boy Reservation.

—$2,000,000 for the small grants program to communities disproportionately impacted by pollution.

—$1,000,000 for community/university partnership grants.

—$300,000 for the National Environmental Justice Advisory Council.

—$1,000,000 for ongoing Earthvision educational/environmental programs.

—$500,000 for ongoing programs of the Canaan Valley Institute.

—$691,705,000 for salaries, expenses and administrative costs. Consistent with reductions made in this and in the Research and Development accounts, no funds are available for the Environmental Technology Initiative or the Gulf of Mexico Program. Funds recommended for salaries and expenses remain proportional to those provided in previous years. However, the Committee recognizes that the reduction in this joint account will require the Agency to review staffing and salary and expense needs. In addition, the Agency should review administrative cost requirements, and propose adjustments to fit the redirection of the Agency. The Committee will be receptive to such proposed adjustments, and suggests that, to the extent possible, they be included in the Agency's revised operating plan. Those adjustments not included in the operating plan may be submitted to the Committee through normal reprogramming procedures.

Reductions from the budget request include the following:

—$14,691,000 for the Gulf of Mexico Program activities.

—$11,876,000 for low priority radiation programs involving criteria, standards, guidelines, program implementation and environmental impact assessments.

—$2,594,000 from the Environmental Justice Program, including no funding for the "Partners in Protection" grants.

—$47,319,000 for the Environmental Technology Initiative.

—$35,482,000 for lower priority water quality monitoring, analysis, standards, and applications programs.

—$11,400,000 for Global Climate Change activities, including the "Energy Star" programs.

—$405,000 for the indoor air "Building Air Quality Alliance" program.

—$129,474,000 for low priority enforcement programs.

—$132,123,000 undistributed reduction. In light of specific program reductions and funding limitations included in the bill, the Agency is directed to determine the lowest priority program, personnel, and administrative needs for inclusion in this undistributed reduction. Notice to the Committee should be made prior to the enactment of any specific reduction in excess of $500,000, unless such reductions are noted in the Agency's revised operating plan.

The Committee's action to combine the former "ACC" and "PRO" accounts will provide the Agency with greater flexibility to properly fund and staff those higher priority programs which will attain the greatest environmental benefits, within the context of shrinking financial resources. At various times throughout the history of the Agency, these programs, along with research and development, have been combined in this manner. The Committee believes that the time has arrived to once again structure these programs in a combined manner, thus giving the Federal administrators at EPA the tools necessary to creatively deal with the fiscal demands observed by the Agency. Moreover, removing the barrier of limited year appropriations will allow the Agency to make longer-term and perhaps less costly decisions where in the past there have been cases observed of one program's dollars lapsing while other programs go wanting for unavailable funds. Although overall funding for these two aforementioned accounts has been reduced in the newly created "Environmental Programs and Compliance" account, the Committee believes that the significant funds appropriated in fiscal year 1996, coupled with enhanced spending flexibility, should allow EPA to move ahead aggressively in building partnerships with states and with industry to resolve the most pressing of national environmental concerns.

The Committee's funding recommendation for fiscal year 1996 reflects the intent for the Agency to swiftly move away from what has been termed a "command and control" philosophy and instead adopt a "compliance assistance" philosophy whereby greater and better relationships are developed with the states and with industry to identify environmental problems and then implement common sense, science-based, and financially sound solutions to these problems. EPA should be a facilitator in resolving important environmental concerns, not an antagonist which regularly uses the "heavy hand of government" to force compliance with laws. Examples where the Agency has moved down this new path include the Common Sense Initiative and Project XL, and the Committee commends EPA for introducing and fostering these types of flexible partnerships.

In hearings before the Committee, EPA's Administrator has identified this move to more flexible relationships and rulemaking activity as a high priority, yet there still remain far too many instances where the stated goals of the Agency and the daily activities bear no relationship whatsoever. Actions proposed in the bill accompanying this report speak to many of the regulatory issues in which the Committee believes the Agency has headed in the wrong direction, for the wrong reasons, and in a manner which can impose unnecessary costs on American industry and, ultimately, the consumers and taxpayers of this country. The Agency needs to recognize that there are simply not enough available financial resources to "fix" every perceived environmental problem. Rather, the Agency must develop priorities so that it can go about the task of accomplishing meaningful environmental goals in an orderly and systematic way. In making the reductions proposed in the fiscal year 1996 bill and in the development of future operating plans and budgets, the Committee expects the Agency to be more deliberate and aggressive in fostering these new, flexible partnerships and relationships with the states and with business without compromising the necessary, priority environmental goals set forth by the Agency and approved by the Congress.

In the development of such closer relationships with the states and with industry, the Agency is expected to eliminate dual jurisdiction problems wherever possible and is directed to curtail the practice of overfiling on actions that have previously been filed by the states. In this regard, the Agency is asked to report by June 30, 1996 of the progress it has made in the reduction of dual jurisdictional problems as well as on the number and reasons for any overfilings it has undertaken during fiscal year 1996, a calculation of the savings it has achieved by the reduction of dual jurisdiction and overfilings and how such savings have been expended for actions other than increased enforcement activities.

In April, 1995 the National Academy of Public Administration (NAPA) published its long awaited report, "Setting Priorities, Getting Results—A New Direction for EPA." The Committee is aware of and complements the Agency for its active review of the proposals set forth in this report and its plans to implement a variety of these early in fiscal year 1996. In this regard, the Agency should submit to the Committee by November 15, 1995 a listing of those specific NAPA proposals it has or is expected to adopt within the first six months of the fiscal year and then, by June 1, 1996, a report which lists all of the recommendations made by NAPA which have been adopted by the Agency and the results, if any, of each, as well as a list of those NAPA proposals not adopted by the Agency and an explanation of why each has not been adopted. Further, the Agency should take particularly seriously the recommendation to merge OPPE and OARM and should, by April 1, 1996, submit to the Committee a reorganization plan which would provide better coordination of the planning, economic and political analysis, and budget activities at EPA, as well as provide an enhanced ability for long-term planning, research, and environmental review.

Finally, much attention has been focused of late on the use of risk and cost-benefit analysis in the promulgation of rules and regulations by all departments and agencies of the Federal government. Perhaps this attention has focused on no such Federal entity to the degree it has on the Environmental Protection Agency. This is due in part to the nature of the regulatory actions EPA is often required by statute to take. EPA though, has also received great attention because of its past pursuit of rulemakings that lacked specific legal underpinnings, or were proposed in such a way as to result in exorbitant and unnecessary costs when contrasted to the benefits to be achieved by the proposed rule. While the Committee acknowledges that circumstances exist whereby a strict cost-benefit/risk formula may be difficult to apply, it nevertheless expects the Agency to adopt and to utilize whenever appropriate a consistent and reasonable such formula in the development of all rulemaking activities. All such rulemakings are expected to contain a written statement outlining the nature of the cost-benefit/risk analysis formula employed in the rulemaking and the application and background associated with the stated results of each such analysis.

The Committee is very concerned about the Inspector General findings on the validity of data reported with regard to the utilization rate of minority business enterprises and women business enterprises, and the inability of the current formula used to accurately calculate MBE/WBE utilization. The Committee directs EPA to take appropriate steps to strengthen the ability of its Office of Small and Disadvantaged Business Utilization (OSDBU) to monitor the reporting process to ensure valid and accurate data submissions. The Committee directs the Agency to change the utilization rate formula to ensure that the utilization rate reflects calculations based on procurement dollars awarded to MBE/WBE per quarter divided by actual total procurement dollars awarded to all firms per quarter. The Committee further directs the Agency to institute data validation procedures throughout the reporting process and develop specific and consistent reporting definitions, and report back within six months to Congress on these activities.

It is the understanding of the Committee that the Agency plans to expand the Environmental Finance Centers (EFCs) network in fiscal year 1966. These Centers assist local government officials and small business managers in selecting ways to lower costs and increase private sector investment in environmental financing techniques, methods, innovations, and issues. The EFCs also provide hands-on technical expertise as well. These Centers seek to help in funding unfunded mandates and in helping to minimize market barriers to such environmental investment. The Committee is very supportive of this type of technical assistance and encourages the Agency to not only expand the EFC Network in the coming year, but to provide the additional funding for this worthwhile effort.

The Committee notes with concern the potential serious adverse economic consequences for the Ohio Valley that could result from an ongoing Clean Air Act administrative and enforcement matter in EPA Region 3. EPA has brought an enforcement action against Ohio Power, a division of American Electric Power, for violations of title I of the Clean Air Act at the Kammer Generating Station, located in Moundsville, West Virginia. This matter may successfully be resolved through EPA approval of a proposed revision by the State of West Virginia to its sulfur dioxide State Implementation Plan (SIP).

The Committee is aware that EPA and Ohio Power, after discussions with the State of West Virginia, have recently reached agreement on a short-term extension of the Kammer facility's compliance deadline, thus avoiding, for the time being the closure of the Consolidation Coal Company's Shoemaker mine, which supplies local coal to the facility.

The Committee hopes to see this matter resolved in such a way as to minimize economic dislocation. Accordingly, the committee urges the EPA to continue to work cooperatively with the State of West Virginia and the affected sources in the Ohio Valley, to reach agreement on a process for revising the SIP that includes a reasonable schedule for completion, to allow the West Virginia Department of Environmental Protection enough time to collect the most comprehensive, accurate data feasible.

The Committee understands it is widely held in the scientific community that EPA's draft dioxin risk characterization document, which presents the Agency's major conclusion that dioxins may produce a broad spectrum of effects in humans at or near current background levels, does not accurately reflect the science on exposures to dioxins and their potential health effects. Further, the Committee is concerned that EPA selected and presented scientific data and interpretations of that data that are heavily dependent upon assumptions and hypotheses that deserve careful scrutiny by the scientific community. The Committee also understands that inaccuracies and omissions in the risk characterization chapter, which have been noted and criticized by EPA's Science Advisory Board and the general scientific community, were the result of the Agency's failure to consult with and utilize the assistance of the outside scientific community in writing Chapter 9.

Because the final dioxin reassessment documents, specifically the risk characterization chapter, will provide the basis for future Federal policies and regulations relative to dioxin and other chemicals, the Committee believes it is essential that the reassessment be based on scientific consensus and accurately present the state-of-knowledge regarding the potential risks that may exist from exposure to dioxin in the environment. The Committee thus directs EPA to ensure that the concerns and recommendations of the Science Advisory Board are properly accounted for in rewriting Chapters 8 and 9 prior to expending any funds appropriated herein on further advancing the reassessment of any rules using the reassessment as a basis. EPA should enlist the participation of scientists from other relevant federal agencies (at a minimum DOD, DOE, FDA, USDA and VA) and those scientists who originally authored the other reassessment chapters in rewriting Chapter 9 in the aforementioned redraft.

Finally, the Administrator of the EPA shall report back to the Committee within 90 days after enactment as to compliance with the aforementioned provisions prior to expending any funds appropriated herein on further advancing the reassessment of any rules using the reassessment as a basis.

In September, 1994, the EPA issued 102 subpoenas to United States companies to require them to provide information about the operations of certain Mexican companies operating in Mexico under Mexican laws. EPA apparently issued the subpoenas under the Toxic Substances Control Act (TSCA), a statute intended to collect, monitor and analyze chemical risk information. The Committee is concerned that nothing in TSCA or its legislative history provides the Agency the authority to apply this law to companies or activities outside the United States. More important, the activities of the Agency in this regard may be a violation of international law or treaties, such as NAFTA, which the United States is a signatory of. The Agency is directed to provide an explanation of why it has chosen to use TSCA in this manner and is urged to use the procedures established by the Commission on Environmental Cooperation under NAFTA if it desires to further pursue this information.

The Committee has concerns about the scope, direction and ultimate application of the joint EPA/DOE Life Cycle Assessment (LCA) program, initially targeted at the production, use and disposal of corrugated containers, newsprint, and aluminum cans. This joint study of packaging materials has not been adequately coordinated with the private sector nor has the justification for such an analysis been clearly demonstrated. The Committee is concerned that the concept behind such an undertaking is flawed. Further, serious questions arise regarding the practical application of the fundings of such a study, given that the information sought does not lend itself to comparative analysis, and the information that would be gathered may very well be subject to misinterpretation, misapplication and misuse. The Committee does not believe that any appropriation in this bill ought to be used in the furtherance of this program until the Committee's concerns are satisfied. The Committee is concerned that the international activities promoting United States products and services have not been focused and should be redirected toward facilitating those industries primarily in the pollution prevention and environmental mitigation industries where the United States holds technological lead, including solar and other renewables, hazardous waste clean-up and others. The Committee would like to be informed within the fiscal year of the progress being made to focus this program fostering cost-sharing and innovation with these industry sectors.

Section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) authorizes EPA to require chemical companies to report on the Toxic Release Inventory (TRI). Similarly, Section 8 of the Toxic Substances Control Act (TSCA) authorizes EPA to collect data on the use of categories of chemical substances. Since these reports began flowing to the agency, releases to the environment have decreased 43% for all industries reporting on the TRI. It has now come to the attention of the Committee that the Agency plans to move from the collection of TRI data and category use data to the collection of specific substance toxic use data, or TUR. The Committee believes that the protection of human health and the environment is best achieved by focusing on the reduction of releases to the environment, not on the specific use of a chemical. Moreover, an effort to require the collection of such detailed data appears to be a costly and unnecessary intrusion on business as well as an unwarranted and unauthorized step beyond the clear intent of EPCRA and TSCA. EPA was specifically authorized to collect waste and release information and category use data, but was not given the authority to collect data on any aspect of business they so desire. The Committee has provided no funds for the continued collection of TUR data and directs the Agency to cease any further actions in this regard.

Questions have been raised centering on what may be a practice of the Agency to register non-agricultural pesticides which may be more toxic or more technologically advanced at a faster pace than agricultural pesticides which may be less toxic or less technologically advanced. While the Committee understands that the registration process may take up to two years for some pesticides, the Agency is nevertheless encouraged to move as swiftly as possible to register all pesticides, regardless of their intended use.

Because of interest on the part of the Administration and various Members of Congress, EPA in recent years commissioned the Tellus Institute to conduct a review of the literature on the costs and benefits of bottle bills and, where possible, update the costs and benefits of bottle bills using existing information. This review was completed and was then opened for public comment. The comment period ended on May 1, 1995 and EPA is expected to finish its review of the comments before the end of fiscal year 1995. The fundamental conclusion of the review is that traditional bottle bills are not cost-effective, and EPA has stated that they have taken no position with respect to the review. It is the Committee's judgment that because so many states have adopted bottle legislation, the need for federal dollars to pay for yet another study was unwarranted. This is the type of study that should be declined in the future, and the Committee notes that no funding has been requested or provided to continue any work in this regard.

In the rescission bill for fiscal year 1995, H.R. 1944, the conferees rescinded $5,000,000 from the Agency's "Green" programs, and noted that programs which essentially duplicate or are substantially similar to those offered by commercial enterprise or by other Federal agencies, such as the "Energy Star Buildings" program, should not be continued. The Committee reiterates those comments and has directed that none of the funds provided for fiscal year 1996 be used to operate or promote these programs in any way.

As a result of a consent decree issued in 1993 following an environmental group suit against EPA for not regulating trace amounts of dioxin produced inadvertently in the paper making process, EPA was required to issue new air standards for "hazardous air pollutants" for the pulp and paper industry by 1997. At the same time, the Agency was required to issue new water standards for toxic substances under the Clean Water Act, and thus ultimately proposed to integrate these two rulemakings into one. Known as the "cluster rule," this action was intended to launch a new era of rulemaking by clustering or combining standards for different media to avoid the sometimes incompatible and contradictory results that have occurred when such standards have been separately proposed. The Committee supports the merging of rulemaking procedures in this manner, both for the economies that can be achieved and for the importance of looking at the "bigger picture" when developing rules which will impact business and society as a whole. In the case of the cluster rule for pulp and paper, however, the Committee remains concerned that actions taken by the Agency will not only adversely impact the pulp and paper industry but could serve to undermine the entire process in much the same way as subsequent actions by EPA and others soured the much touted "Reg-Neg" process for reformulated gasoline. EPA has not only separated the rulemaking actions but has developed faulty benefit analysis data and appears unwilling to use newer data which could be incorporated so that the rule can be revised prior to promulgation. The Committee strongly urges the Agency to review this matter in its entirety and take every step necessary to set it back on a successful path.

During the Agency hearings on the fiscal year 1996 budget request, the Administrator was questioned regarding plans of the Agency or any other Federal entity to take any actions which could in any way create a specific market share for any oxygenate in the reformulated gas program. The response indicated that the Agency was in the process of determining whether to appeal a recent court ruling which dramatically struck down a portion of the 1994 RFG rule which created such a market share. That appeal was indeed filed with the court and has subsequently been denied. The Committee believes far too much time and effort has been spent on this issue and this process and it is now time to let the markets work as first envisioned in the RFG "Reg-Neg." The Committee has chosen to take no specific legislative action at this time which would prevent the Agency from spending funds for further endeavors in this regard. However, the Committee wants to emphasize in the strongest manner possible that the Agency should avoid the expenditure of any fiscal year 1996 appropriations for any similar action.

The Committee observes that on September 12, 1994, the House voted 222 to 148 to deny funding for the implementation and enforcement of the independent foreign refiner baseline proposed rule (59 Fed. Reg. 22800 (May 3, 1994)). In response to this unambiguous expression of Congressional intent, the EPA withdrew the rule. At this time, the Committee notes that the World Trade Organization (WTO) is reviewing the existing foreign refiner baseline rule to determine whether it is consistent with U.S. obligations under the General Agreement on Tariffs and Trade (GATT). The Committee believes that any effort by EPA to repropose an independent foreign refiner baseline rule would be unwise given the ongoing WTO proceeding and inconsistent with both the intent of

Congress and environmental protection. The Committee notes that EPA actions inconsistent with last year's Congressional finding are unacceptable, and the Committee will utilize any and all means to prevent any reversal of EPA's decision to withdraw the rule.

In a similar vein, the Committee is aware that in isolated areas of the country, particularly in northern-tier and arctic regions, the use of reformulated gasoline is alleged to be the cause of unexplained but nevertheless recurring minor illnesses. Over 3,000 such cases of illness were reported in the Milwaukee, Wisconsin area during the winter of 1995, and some in the Fairbanks, Alaska community continue to believe that the chemical properties of RFG interacting with their extreme meteorological conditions is a cause for great concern. There are no published studies, however, which can find any definite link between the use of RFG and these reported illnesses. Because of this lack of hard, scientific evidence, the Committee is reluctant to impose any specific legislative restrictions on the use of RFG. However, EPA is directed to continue their reviews of all available literature and data developed in response to this situation, and provide for the Committee a determination of what additional studies or actions are necessary to adequately monitor the issue and develop practicable alternatives. With specific regard to those moderate nonattainment areas in which the average daily winter temperature is below zero degrees Fahrenheit, the Committee will await the completion of the scientifically valid report required by the Committee in last year's appropriation bill before taking steps to fully operate the program.

No funds have been included in the bill for any final action by the Administrator, or her designee, for signing or publishing for promulgation of a rule under the Toxic Substances Control Act to ban or regulate the use, in any manner, of acrylamide and n-methylolacrylamide (NMA) grouts. The Committee believes EPA's premise for banning the manufacture and distribution of these grouts is based on a faulty risk assessment and inadequate cost-benefit analysis. Therefore, it is the Committee's intent that the Agency immediately withdraw its proposed rule banning the manufacture and distribution in commerce of acrylamide and NMA grouts. These grouts are an important tool in the repair of sewer systems. Loss of this tool would substantially impair the ability of municipalities and localities to effect repairs of sewer systems without major and costly construction.

As has been suggested previously, the Committee does not take a favorable view of proposed rulemakings which seem not to be based on true environmental hazards, but rather on what many would consider the Agency's "political" agenda. One case in point is the rulemakings proposed in March and September of 1994 to further regulate the use of lead fishing sinkers and ammunition under the Toxic Substances Control Act (TSCA). In both cases, there was no apparent effort to establish that either of these items posed any kind of risk to the environment or to human health. In yet another example, the Agency has proposed through a rulemaking to include mercury-containing lamps as a hazardous waste under the Resource Conservation and Recovery Act (RCRA), even though lamps contain just trace amounts of mercury and overall release an infinitesimal amount of mercury into the atmosphere.

Even though EPA acknowledges that mercury in lamps does not propose a significant threat to human health, they nevertheless seem intent to move ahead. Once again, the Committee states in the strongest manner possible that the Agency should avoid making any further expenditures on these unnecessary rulemakings and, moreover, should carefully review other similar rulemaking activities which appear not to be based on good science.

Finally, the Committee encourages EPA to consider conducting a study of the transport ozone and ozone precursors on the national scale. In coordination with EPA's on-going efforts and the implementation of Phase II of EPA's ozone attainment demonstration program, such a study could be conducted with the assistance of NAPA as well as technical representatives from states potentially affected by long-range ozone transport. Upon review of this matter, the Agency is encouraged to develop a response to the Committee as to the advisability of such a study, and include, if appropriate, a proposed strategy plan for achieving national attainment of the ozone standard.

The Committee has included a legislative provision which waives Section 307(b) of the Federal Water Pollution Control Act with respect to the industrial discharge to the Kalamazoo, Michigan Water Reclamation Plant, if certain state and local environmental and financial standards are met. This provision is necessary to prevent the EPA from requiring that separate and unnecessary treatment facilities be built for commercial operations in the Kalamazoo area which have long-standing contractual arrangements with the Reclamation Plant to provide enhanced treatment consistent with or better than treatment requirements set forth by the EPA.

The Committee has also approved the Agency's request to implement a performance partnership grant program and has included appropriate bill language. The Committee is most interested in promoting flexibility for the states, reducing administrative burdens for both the Federal and state governments, and helping states assess and plan for their most pressing environmental needs. The concept of performance partnerships as proposed in the Agency's budget request, is the first step in achieving those goals. However, the Committee wishes to receive more information on the actual implementation of this program prior to the award of performance partnership grants. The Committee directs the Agency to submit a report, within 90 days of enactment of this appropriation, which outlines the scope of this program in fiscal year 1996, explains how states will use the funds, and provides more information on how specific grants will be utilized. Once the Committee has approved this report and plan, the Agency will be permitted to continue the program.

For fiscal year 1996, the Committee has included no funds for the Lake Champlain Basin Plan. In addition to raising serious questions relative to its credibility, the plan as currently drafted is scheduled to be submitted directly by the states of Vermont and New York to the Administrator for approval. Prior to any such approval by the Administrator, the Committee directs that any submitted plan be made available for review and approval by the Committees of jurisdiction as well as by all Members of Congress impacted in any way by the plan.

By December 31, 1995, the Administrator shall submit to the Congress, and make available to the public, a draft report providing an assessment of the risk of each of the polychlorinated biphenyl (PCB) mixtures that has been the subject of laboratory animal cancer studies or cancer bioassays, and a proposed methodology for assigning cancer risk numbers to mixtures of PCB's found in the environment. By September 1, 1996, the Committee directs that EPA shall have completed, by a panel of independent experts on the carcinogenicity of PCB's, a peer review of the draft report, and shall submit a final report to the Congress and make it available to the public. Until submission of the final report, EPA regions and the states shall not be required to rely solely on the PCB cancer assessment provided in the EPA's Integrated Risk Information System database and shall be allowed to perform PCB cancer risk assessments taking into account relevant information.

The Committee is aware of the excellent work conducted by the Agency in the surveying by helicopter of water quality along the New Jersey and New York coastlines. Since its inception, this program has helped greatly both in the spotting and immediate cleanup of floating pollutants and in the reduction of the number of such incidents. Within available funds, the Agency is directed to maintain this activity at an appropriate level during fiscal year 1996.

The Committee is aware that the Agency is currently reviewing relevant materials and developing a proposed rule concerning a Sole Source Aquifer Designation for the Eastern Columbia Plateau Aquifer System in eastern Washington State. In making such a designation, an aquifer must be the single underground water supply of at least 50% of the drinking water consumed in the area above the aquifer. In the case of this designation, the proposal impacts all or part of seven counties covering about 14,000 square miles. There are now approximately 60 such aquifer designations made nationwide, and ten of these are located within Washington. Based on the review of all available materials, the Committee does not believe there is sufficient technical evidence to support the conclusion made by the Agency that contamination poses a high risk to this aquifer. Moreover, the state has raised several economic concerns that would adversely impact eastern Washington should this rule be fully developed and implemented. In fact, the State has filed objections to its approval. The Committee strongly suggests that EPA hold this matter in abeyance until all issues raised by the State are fully explored and resolved in a manner which meets the needs of all parties.

The Committee is aware that the EPA has communicated with the State of Texas regarding international sources of pollution pursuant to section 179B of the Clean Air Act, especially as it relates to El Paso, Texas. The Committee urges EPA to work with state and local entities to reach a solution which fulfills the requirement of the Clean Air Act while recognizing that certain communities have little control over sources of pollution emanating from outside the United States. The Committee further urges the EPA to cooperate with its counterpart in Mexico to share information and technologies relative to this goal.

Preliminary review as part of EPA's examination of RCRA regulations for possible modification has shown that silver could be removed from the list of hazardous constituents for determining the toxicity characteristic at a great savings to many businesses, with no adverse consequences to the environment. The agency has found that silver poses no hazard to health, and silver-bearing wastes do not appear to be a threat to the environment. The agency is encouraged to undertake a rulemaking to remove silver from the list of substances under the toxicity characteristic, and to conclude that rulemaking as quickly as practicable.

The Committee has also included several legislative provisions which limit the expenditure of funds by the Environmental Protection Agency during fiscal year 1996 for the following matters:

1. Implementation of Section 118(c)(2)(C) of the Federal Water Pollution Control Act to give states additional time to implement programs under the Great Lakes Program.

2. Implementation and enforcement of Section 402(p) of the Federal Water Pollution Control Act providing an extension of time for the implementation of Federal permit requirements for municipal and industrial stormwater discharges.

3. Enforcement of permit limits or compliance schedules for combined sewer overflows or sanitary sewer overflows under Section 402 of the Federal Water Pollution Control Act in order to provide additional time to implement these programs.

4. Implement or enforce Section 404 of the Federal Water Pollution Control Act to provide Congress additional time to determine the proper management of the nation's wetlands.

5. Development and implementation of new or revised effluent limitation guidelines, pretreatment standards, new source performance standards, or new or revised water quality standards under the Federal Water Pollution Control Act. An additional legislative provision is included which makes moot the previous four limitations if the Federal Water Pollution Control Act, as amended, is reauthorized.

6. Imposition or enforcement of requirements that State Implementation Plans under the Clean Air Act contain trip reduction programs. Identical language was included in H.R. 1158 as passed by both the House of Representatives and the Senate during fiscal year 1995.

7. Assignment of automatic credits by EPA on inspection and maintenance plans submitted by states as part of their State Implementation Plan. The Committee continues to believe that states should receive SIP credit based on the value of their program determined by accurate, up-to-date data, and not be faced with an automatic discount before their plan has even been evaluated.

8. Propose, promulgate, issue or enforce rules or schedules regarding MACT standards for refineries under Section 112(d) of the Clean Air Act to permit the Agency time to fully review updated data before implementation of this MACT is final.

9. Continue the extension of risk management plan requirements under Section 112(r) of the Clean Air Act for the oil and gas exploration, processing, and production industry so that the Congress will have the opportunity to determine if the Agency has overstepped their regulatory bounds with respect to this action.

10. Signing and publishing of drinking water regulations for arsenic, radon and other radionuclei. Similar language was included in last year's appropriation bill, Public Law 103–327.

11. Development of a so-called "combustion strategy;" MACT under Section 112 of the Clean Air Act until the Agency develops accurate and complete data which justifies the rulemaking.

12. Impose or enforce rulemaking regarding a so-called "combustion strategy" under the Resource Conservation and Recovery Act, unless the Agency follows established procedures for the promulgation of rules with respect to hazardous waste.

13. Promulgate, implement, or enforce the Federal permitting program under Sections 502(d)(2), 502(d)(3), and 502(i)(4) of the Clean Air Act to prevent unnecessary sanctions from being imposed on the states while they are completing their permitting programs.

14. Require facilities to submit any data under Section 313(a) of the Emergency Planning and Community Right-to-Know Act that is not already specifically enumerated in the Act, including mass balance, materials accounting, and chemical use data.

15. Revoke or issue regulations under Section 409 of the Federal Food, Drug and Cosmetic Act for a pesticide in processed food where a tolerance has been previously established under Section 408 of that Act, and to deny or revoke the issuance of a Section 408 tolerance for a pesticide on a raw agricultural commodity solely on the basis that a food additive regulation cannot be issued or maintained under Section 409 for the pesticide in a processed form of the commodity. The Committee notes that this type of situation, where the Agency appears to purposely use an interpretation of one section of the statute to defeat the intent of another, is highly objectionable. The Committee will continue to review cases such as this and take appropriate actions where the Agency continues to defeat the intent of the statute.

16. Regulate whole agricultural plants subject to regulation by another Federal agency, thereby making it less costly and burdensome for business to secure proper permits and the like from the Federal government. The Committee notes that genetically engineered plants are subject to significant regulatory scrutiny, including by the Food and Drug Administration to ensure food safety and the Department of Agriculture to avoid release of plant pests or other environmental hazards. The EPA has proposed to broaden its regulation under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to whole plants that have increased pest resistance developed through biotechnology. The Committee directs EPA to curtail its regulation of genetically engineered plants to avoid redundant regulation and minimize burdens on beneficial research and development. Specifically, such regulation should be limited to application to agricultural plants which contain a pesticidal substance that does not naturally occur in nature or has been regulated under FIFRA when applied externally to plants.

17. Take legal action against states or individual facilities when such facilities have performed a self-audit and have ad-

mitted environmental violations to the state in a manner consistent with state laws. Several states have enacted laws which allow a facility or business to perform self-audits and, when violations are found, essentially "turn themselves in." The states, in turn, expect the violation to be mitigated or remedied in a timely and correct manner in lieu of fines being charged to the violator. The Committee believes this type of law makes imminent good sense and should be adopted on the Federal level. In the meantime, the Agency should not be interfering with the states who have moved progressively to address environmental problems in this manner.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation [1]	$28,542,000
Fiscal Year 1995 Appropriation	28,542,000
Fiscal Year 1996 Budget Request	33,050,000
Comparison with Fiscal Year 1995 Appropriation	

[1] Total does not include transfer of $5,000,000 from the Hazardous Substance Superfund account and $426,000 from the Leaking Underground Storage Tanks account.

The Office of Inspector General (OIG) provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing and potential instances of fraud, waste, or mismanagement. The appropriation for the OIG is funded from three separate accounts: Office of Inspector General, Hazardous Substance Superfund, and the Leaking Underground Storage Tank trust fund.

For fiscal year 1996, the Committee recommends a total appropriation of $28,542,000 for the Office of Inspector General, the same as the 1995 level and $4,508,000 from the budget request. In addition to the amount provided, $5,000,000 shall be derived by transfer from the Hazardous Substance Superfund account, and $426,000 by transfer from the Leaking Underground Storage Tank trust fund. This reduction in OIG is only a reflection of the general reductions proposed for most of the major EPA accounts by the Committee. All funds within this account are to be considered annual monies.

In light of the reduced funding level compared to the previous fiscal year, the Committee expects the Inspector General to review all ongoing and planned activities to determine those which will result in the greatest benefit to the Agency and to the taxpayers. Within six months of passage of this appropriation, the Inspector General is requested to submit a general operations plan which outlines personnel requirements, those areas where work will continue, and those low priority areas which have been terminated or placed on hold.

BUILDINGS AND FACILITIES

Fiscal Year 1996 Recommendation	$28,820,000
Fiscal Year 1995 Appropriation	43,870,000
Fiscal Year 1996 Budget Request	112,820,000
Comparison with Fiscal Year 1995 Appropriation	−15,050,000

This activity provides for the design and construction of EPA-owned facilities as well as for the maintenance, repair, extension, alteration, and improvement of facilities utilized by the agency. The funds are used primarily to correct unsafe conditions, protect health and safety of employees and Agency visitors, and prevent serious deterioration of structures and equipment.

The Committee is recommending $28,820,000 for Buildings and Facilities, a reduction of $15,050,000 from the fiscal year 1995 level and $84,000,000 from the budget request.

The Committee regrets that extremely difficult budget circumstances made it impossible to at this time commit to the first $50,000,000 installment of what is planned to be a $240,000,000 research facility at Research Triangle Park, North Carolina. The Committee recognizes the demonstrated need for new facilities at this location and will be receptive to alternative suggestions, offered by the Agency or by private sources, for meeting this need.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$1,003,400,000
Fiscal Year 1995 Appropriation	1,435,000,000
Fiscal Year 1996 Budget Request	1,562,937,000
Comparison with Fiscal Year 1995 Appropriation	−416,216,000

The Hazardous Substance Superfund (Superfund) program was established in 1980 by the Comprehensive Environmental Response, Compensation and Liability Act to clean up emergency hazardous materials, spills, and dangerous, uncontrolled, and/or abandoned hazardous waste sites. The Superfund Amendments and Reauthorization Act (SARA) expanded the program substantially in 1986, authorizing approximately $8,500,000,000 in revenues over five years. In 1990, the Omnibus Budget Reconciliation Act extended the program's authorization through 1994 for $5,100,000,000 with taxing authority through calendar year 1995.

The Superfund program is operated by EPA subject to annual appropriations from a dedicated trust fund and from general revenues. Enforcement activities heretofore employed were used to identify and induce parties responsible for hazardous waste problems to undertake clean-up actions and pay for EPA oversight of those actions. In addition, responsible parties have been required to cover the cost of fund-financed removal and remedial actions undertaken at spills and waste sites by Federal and state agencies. The Office of Inspector General also receives funding from this account.

For fiscal year 1996, $1,003,400,000 has been recommended by the Committee, a reduction of $431,600,000 from the fiscal year 1995 level, and $559,537,000 from the amount included in the budget request. For fiscal year 1996, all funds for this account are appropriated from the general treasury, leaving the Trust Fund essentially intact until new authorizing legislation is enacted.

The Committee's recommended appropriation includes the following:

$646,531,200 for Hazardous Substance Superfund response actions as defined in the Agency's fiscal year 1996 budget justification.

$115,729,100 for management and support. No funds are included for salaries and expenses and management support associated with the Gulf of Mexico program office.

$77,739,600 for enforcement activities.

$13,224,100 for research and development.

$147,100,000 for interagency activities, including: $62,000,000 for the Agency for Toxic Substances and Disease Registry (ASTDR); $49,500,000 for the National Institute of Environmental and Health Sciences (NIEHS); $27,155,000 for the Department of Justice; $4,350,000 for the United States Coast Guard; $2,000,000 for the National Oceanic and Atmospheric Administration; $1,100,000 for the Federal Emergency Management Agency; $680,000 for the Department of the Interior; and $315,000 for the Occupational Safety and Health Administration.

$3,076,000 for response support in the Office of Air and Radiation.

The Committee recognizes that the authorizing committees with jurisdiction over the Hazardous Substance Superfund program have undertaken a serious effort to reform that program. In crafting those reforms, the authorizing committees are considering changes to virtually every aspect of Superfund, including improved selection of remedies and cleanup standards, an increase role for states and local communities, and a comprehensive rewrite of the Superfund liability system, perhaps including a repeal of retroactive liability. Thus, fiscal year 1996 clearly will be a transition year for the Superfund program. The Committee recognizes that it has a role in ensuring that Superfund reforms are enacted responsibly and as swiftly as possible, and has pledged to assist the authorizing committees in every practical way this year and in succeeding fiscal years.

The Committee's recommendation for fiscal year 1996 will essentially permit all ongoing activities "in the pipeline" to continue unhindered to the normal conclusion of the step of the process that they are currently in. For example, if a site is currently in the construction phase, such construction will continue at its current pace. Likewise, if a site is undergoing design, such design will continue until completed. In reaching this recommendation, the Committee felt that it was important to continue all ongoing activities while at the same time recognizing that virtually every Superfund stakeholder, including EPA's Administrator, agrees the program "is broken and needs to be fixed." The Committee believes that it would be entirely irresponsible to fund a program that everyone agrees is broken at a level which exceeds last year's appropriation. The Committee's funding recommendation therefore permits no new sites added to the National Priorities List, reduces lower priority research and development and enforcement activities, minimizes management and support activities and overhead, and maximizes funding for so-called "on the ground" cleanup related activities within the established Superfund program.

Should the Superfund program be reauthorized during the fiscal year, the Committee directs that within thirty days of such reauthorization EPA submit any necessary reprogramming requests so that funds may be reallocated in a manner which is consistent with the reauthorization.

Further, the Committee understands that the authorizing committees are exploring alternative mechanisms for funding Superfund cleanups, including the possible use of offsetting collections. Thus, the funds appropriated in this bill do not in any way constrain the authorizing committee's ability to make whatever public policy decisions they deem necessary to successfully reform the Superfund program. The Committee expects to make all future funding decisions in light of the reauthorization and ensure that all funding mechanisms that may result in speedier and more cost-effective cleanups are utilized.

Part of the need for reform is based on the statutory language and the implementation of the law by the Agency being too bureaucratic, inflexible, and time-consuming to allow cleanup to proceed as expeditiously as communities and responsible parties would like. For example, at the Highway 71/72 Refinery Site in Bossier City, Louisiana, the community and the State have actively opposed the proposed listing of the site on the National Priorities List and voice support for a community-directed cleanup effort. Superfund-quality studies have been completed under the State's direction, and the State has identified the areas needing remediation. In addition, a specific company has stepped forward to do the necessary cleanup.

Despite these facts, the EPA has indicated that the law requires the Agency to do what appear to be repetitive, redundant and expensive studies, and, further, prohibits the local community from directing the cleanup. This is clearly a situation where the law—or the interpretation of the law—prevents EPA from seeking creative, innovative, and perhaps less expensive solutions that encourage communities and states to get involved in more timely cleanups. The Committee is not convinced that the Agency has no latitude in instances such as this and directs that further review be performed on all such cases to determine where flexibility exists to get the job done in a more cost-effective manner. Despite the effort through the authorizing committees to reauthorize and reform this program, there is simply no reason the Agency cannot begin immediately to effect important changes to the program.

The Committee has stipulated in the bill the funds provided in fiscal year 1996 for the Agency for Toxic Substances and Disease Registry. In addition, the Committee supports the continued funding of $4,000,000 for the existing ATSDR/minority health professions cooperative agreement in support of substance specific investigations, with which the Committee has been pleased. Finally, the Committee wishes to express its support for continued ATSDR funding for a study of the human health effects associated with the consumption of Great Lakes fish.

The Committee recognizes that "brownfields"—properties, both land and structures, that have been previously used for commercial or industrial purpose and may require remediation—pose significant challenges and opportunities for many communities. These industrial properties, contaminated for years, often are difficult to develop because of the high cost of initial site assessment, including an array of testing and analysis. As a result, many sites remain dormant and pollution continues unabated, and often a disproportionate share of environmental risks are borne by economically disadvantaged communities.

The Committee is recommending that the EPA provide financial assistance to local communities to expedite initial assessment of "brownfield" sites in order to ensure early remediation of these properties. The Committee intends that this assistance is guided toward local economic development goals. The Committee further encourages the Agency's continued support through the Office of Environmental Justice of educational programs that allow for partnerships or subagreements with regard to technical assistance, and education and training related to brownfields issues.

The Committee urges the Agency to continue the Small Grants Program, the Community/University Partnerships Program, and the programs and services of the Environmental Justice Advisory Council. The Committee also urges the Agency to ensure adequate staff in the Office of Environmental Justice to carry out the multiple activities of this office.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$45,827,000
Fiscal Year 1995 Appropriation	70,000,000
Fiscal Year 1996 Budget Request	77,273,000
Comparison with Fiscal Year 1995 Appropriation	−24,173,000

Subtitle I of the Solid Waste Disposal Act, as amended by the Superfund Amendments and Reauthorization Act, authorized the establishment of a response program for cleanup of releases from leaking underground storage tanks. Owners and operators of facilities with underground tanks must demonstrate financial responsibility and bear initial responsibility for cleanup. The Federal trust fund is funded through the imposition of a motor fuel tax of one-tenth of a cent per gallon, generating approximately $150,000,000 per year. Most states also have their own leaking underground storage tank programs, including a separate trust fund or other funding mechanism, in place.

The Leaking Underground Storage Tank Trust Fund provides additional cleanup resources and may also be used to enforce necessary corrective actions and to recover costs expended from the Fund for cleanup activities. The underground storage tank response program is designed to operate primarily through cooperative agreements with states. However, funds are also used for grants to non-state entities including Indian tribes under Section 8001 of the Resource Conservation and Recovery Act. The Office of Inspector General also receives funding, by transfer from the trust fund, through this appropriation.

For fiscal year 1996, the Committee has provided $45,827,000, a decrease of $24,173,000 from the 1995 appropriated level and $31,446,000 from the fiscal year 1996 budget request. Bill language has been included which limits administrative expenses during the fiscal year to $5,285,000, and $426,000 has been provided from the fund, by transfer, to the Office of Inspector General.

As was noted previously, Congress created the Leaking Underground Storage Tank (LUST) Trust Fund in the late 1980's to help states pay for cleanup of petroleum releases from underground storage tanks where the cleanup cannot or will not be accomplished by a responsible party. To date, 46 states have established their own funds for emergency response and clean-ups of leaking underground storage tanks. EPA estimates that states spend about $1,000,000,000 per year on their LUST programs, while annual Federal contributions to states for these purposes has averaged about $70,000,000. The resulting low Federal spending from the fund has left a balance of nearly $1,000,000,000 in the trust fund, and the tax is due to expire on December 31, 1995.

The LUST program was intended to become primarily a state-run program, and according to EPA officials, once states developed adequate programs it was envisioned that EPA's role would diminish. In addition, the universe of leaking underground storage tanks is finite, and the Agency has estimated that the number of leaking tanks identified should be leveling off, and then diminishing. Currently, only about 3% of the leaking tanks identified have no responsible party to pay for cleanup. Given the high level of state funding and effort for the program, the relatively small Federal contribution, and the growing trust fund balance, the Committee requests that the General Accounting Office review and report on this program, specifically focusing on the following questions:

Is the Federal LUST trust fund over-funded?

Is there a need to reauthorize the tax supporting the fund?

What is EPA's role in the program?

Could states be funded directly with the tax proceeds, eliminating the need for the trust fund balance?

What are the true future needs of the program?

Is there any evidence suggesting a need for continued EPA involvement?

The Committee has asked that, if possible, this report be completed and submitted prior to the fiscal year 1997 budget hearing for the Agency.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

Fiscal Year 1996 Recommendation	$20,000,000
Fiscal Year 1995 Appropriation	20,000,000
Fiscal Year 1996 Budget Request	23,047,000
Comparison with Fiscal Year 1995 Appropriation	....

This appropriation authorized by the Federal Water Pollution Control Act and amended by the Oil Pollution Act of 1990, provides funds for preventing and responding to releases of oil and other petroleum products in navigable waterways. EPA is responsible for directing all cleanup and removal activities posing a threat to public health and the environment; conducting site inspections; providing for a means to achieve cleanup activities by private parties; reviewing containment plans at facilities; reviewing area contingency plans; and pursuing cost recovery of fund-financed cleanups. Funds are provided through the Oil Spill Liability Trust Fund which is composed of fees and collections made through provisions of the Oil Pollution Act of 1990, the Comprehensive Oil Pollution Liability and Compensation Act, the Deepwater Port Act of 1974, the Outer

Continental Shelf Lands Act Amendments of 1978, and the Federal Water Pollution Control Act. Pursuant to law, the fund is managed by the United States Coast Guard.

The Committee recommends $20,000,000 for fiscal year 1996, the same as that provided for fiscal year 1995, and a reduction of $3,047,000 from the budget request. Bill language is included which limits administrative expenses to $8,420,000, the same as was provided during fiscal year 1995.

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS

Fiscal Year 1996 Recommendation [1]	$1,500,175,000
Fiscal Year 1995 Appropriation	2,262,000,000
Fiscal Year 1996 Budget Request	1,865,000,000
Comparison with Fiscal Year 1995 Appropriation	−761,825,000

[1] Program level for SRF increased by $225,000,000 above recommended level with use of available funds appropriated in Public Law 103-327.

The Water Infrastructure/State Revolving Fund programs were created to help eliminate municipal discharge of untreated or inadequately treated pollutants and thereby maintain or help restore this country's water to a swimmable and/or fishable quality. For more than a decade, water infrastructure grants have been made to municipal, intermunicipal, state, interstate agencies, and tribal governments to assist in financing the planning, design, and construction of wastewater facilities. This account funds state revolving funds for wastewater as well as various grant programs to improve water quality, including the non- point source program under Section 319 of the Federal Water Pollution Control Act, as amended, as well as Public Water System Supervision grants. Funds appropriated in previous years for a Safe Drinking Water State Revolving Fund, pending such a fund's authorization, have been made available through this account. For 1996, this activity is noted in a separate account.

For fiscal year 1995, the Committee recommends a total of $1,500,175,000, a decrease of $761,825,000 from the fiscal year 1995 level, and $364,825,000 from the level proposed in the budget request. In addition to appropriated amounts, the program level for the State Revolving Fund is increased by $225,000,000 from funds made available in this account in Public Law 103-327. Bill language for fiscal year 1996 stipulates that funds provided for projects pursuant to the Federal Water Pollution Control Act, as amended, are available only upon enactment of a reauthorization of that statute.

The Committee's recommended appropriation for this account includes:

> $1,225,000,000 for Clean Water State Revolving Funds, of which $1,000,000,000 is a new appropriation and $225,000,000 is made available from the fiscal year 1995 appropriation for the unauthorized Safe Drinking Water SRF. Of the available SRF funds, the bill stipulates that $50,000,000 shall be available for wastewater treatment in impoverished communities pursuant to Section 102(d) of H.R. 961, a bill to amend the Federal Water Pollution Control Act which was approved by the House of Representatives on May 16, 1995.

$100,000,000 for high priority wastewater treatment projects near the U.S.-Mexico border, including the New River area.

$50,000,000 for Colonias communities in Texas.

$75,000,000 for the Public Water System Supervision Program.

$25,000,000 for continuation of the Mojave Water Agency groundwater research project.

$100,000,000 for Section 319 non-point source pollution program.

$22,500,000 for Water Quality Management cooperative agreements.

$63,000,000 for special projects included in the budget request, including $50,000,000 for Boston Harbor cleanup.

$15,000,000, the budget request, for wastewater infrastructure improvements in Alaska Native Villages.

$5,700,000 for ongoing alternate water source projects in West Central Florida.

$3,675,000 for water distribution systems in the South Buffalo/Kittanning, Pennsylvania area.

$15,000,000 for continuing clean water improvements at Onondaga Lake.

$15,000,000 for continuation of the Rouge River National Wet Weather project.

$3,000,000 for continuation of water treatment and distribution system rehabilitation in Ogden, Utah.

$7,300,000 for wastewater facility improvements in the vicinities of Peter Creek, East Bernstadt/Pittsburg, and Vicco, Kentucky.

The Committee notes the Clean Lakes program has worked well in many areas over the past years and questions how many lakes will fare as a result of the termination of the program. It is unclear from testimony received at the fiscal year 1996 budget hearings how the Clean Lakes program will be merged with the Section 319 non-point source pollution grants, since Section 319 grants are awarded to government entities and Clean Lakes grants are awarded to non-governmental entities. The Committee has provided $100 million for the Section 319 program and directs the Agency to work with interested states so that activities currently being conducted under the Clean Lakes program will qualify for funding under the requirements of the Section 319 program.

The 1987 Clean Water Act established the State Revolving Fund Program to replace the construction grants program for wastewater treatment plants. EPA provides annually appropriated capitalization grants for states to use as "seed money" to establish and expand state revolving loan funds. A state may also "roll over" unused federal funds from the construction grants program to add to its revolving loan fund. The states make revolving loan funds available to municipalities for constructing or improving wastewater treatment facilities. State revolving loan funds were originally scheduled to be fully funded and self-sufficient, requiring no additional federal funds, by 1994. In 1994 the date was extended to 2004. The sum of annual Congressional appropriations for state revolving funds totaled about $8.4 billion as of FY 1994. Projected additional annual funding to 2004 would raise federal costs to about $22 billion.

Presidential annual budget submissions show that as of the end of FY 1994 there were about $1.6 billion in unobligated annual appropriations plus about $6.1 billion in unliquidated obligations in state revolving funds. Preliminary indications are that these balances are the result of states being unable to make loans fast enough to keep pace with annual Congressional appropriations. The EPA IG recently reported that in one state about $283 million in excess grant money had built up in the state revolving fund because of unmade loans, and indications are that excess grant funds may exist in other states as well.

Given the planned level of funding for the program and indications that states are experiencing difficulties in loaning funds, the committee has requested that the General Accounting Office review and report on this issue, focusing primarily on the following questions:

How has EPA considered and planned for other Federal, state, and private funds that may be used for constructing or improving waste water treatment facilities?

What other sources of funds are available for waste water treatment facilities, and how did EPA consider these funds in meeting needs?

Starting with FY 1988, how much money has been provided by other major sources of funds (federal, state, other sources) for construction/improvements of wastewater treatment facilities?

How does EPA take these other sources into account when requesting annual appropriations and when designing the SRF program to meet the wastewater treatment needs of the country?

What assurances does EPA have that all state SRFs will be self-sufficient after the federal government has invested $22 billion by the year 2004, and no further Congressional appropriations will be necessary?

What is the basis for annual appropriation requests of $2 billion and for the total federal funding of $22 billion, and to what extent is it planned to meet the nation's wastewater treatment needs?

How has EPA defined self-sufficiency in terms of annual appropriations and individual state allotments, total program funding of $22 billion, program completion dates (2004), total annual revolving loan power of $2 billion, and individual state revolving loan power?

How does EPA measure program progress toward the goals of self-sufficiency?

Based on EPA's measurements, when are individual state SRFs projected to be self-sufficient?

Why did the SRF program fail to achieve self-sufficiency by 1994?

What has changed to make EPA project self-sufficiency by 2004?

Are projections of self-sufficiency, total federal funding, and annual revolving loan level by FY 2004 still valid?

For selected states, how do the states define and measure SRF self-sufficiency, and when do the states project their SRFs will be self-sufficient?

For selected states, what are the most significant factors affecting the ability of SRFs to reach self-sufficiency?

What is the effect of different states' SRFs becoming self-sufficient at different times on the use of future appropriated federal funds?

Are impediments preventing some communities from obtaining loans?

By state, how much of the funds made available to the SRF program have been loaned?

Why have some states loaned all of their grant funds while others have not?

How did selected states overcome impediments to making loans and what are the consequences on the state SRFs becoming self-sufficient?

The Committee requests that, if possible, the report be submitted prior to the fiscal year 1997 budget hearings for the Agency.

SAFE DRINKING WATER STATE REVOLVING FUND

Fiscal Year 1996 Recommendation	....
Fiscal Year 1995 Appropriation	$700,000,000
Fiscal Year 1996 Budget Request	500,000,000
Comparison with Fiscal Year 1995 Appropriation	−700,000,000

For fiscal year 1996 the Committee has created a new account for a Safe Drinking Water State Revolving Fund. In fiscal year 1994, $599,000,000 was appropriated for this activity, while in fiscal year 1995, $700,000,000 was made available. However, such funds were to be made available for distribution by formula to the states only after enactment of legislation which specifically authorized the creation of such a fund and the criteria for expenditures from the fund. Such legislation has to date not been enacted. During fiscal year 1995, the Committee took action to rescind $1,074,000,000 from this program, noting that such action was taken without prejudice and only because authorization had yet to be approved and was, by all accounts, not imminent.

Citing the same reasoning, the Committee has recommended no funding for this activity in fiscal year 1996.

ADMINISTRATIVE PROVISION

The budget request included language which would have created a Working Capital Fund for the Environmental Protection Agency. After careful review, the Committee was not convinced that the Agency's proposal to create such a fund would achieve the efficiency or cost savings anticipated by the Agency. The Committee has without prejudice therefore denied this request.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Fiscal Year 1996 Recommendation	$4,981,000
Fiscal Year 1995 Appropriation	4,981,000

Fiscal Year 1996 Budget Request	4,981,000
Comparison with Fiscal Year 1995 Appropriation	....

The Office of Science and Technology Policy (OSTP) was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976. OSTP advises the President and other agencies within the Executive Office on science and technology policies and coordinates research and development programs for the Federal Government.

The Committee recommends an appropriation of $4,981,000 for fiscal year 1996, the same amount as provided in fiscal year 1995 and the amount in the President's budget request.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Fiscal Year 1996 Recommendation	$1,000,000
Fiscal Year 1995 Appropriation	997,000
Fiscal Year 1996 Budget Request	2,188,000
Comparison with Fiscal Year 1995 Appropriation	+3,000

The Council on Environmental Quality (CEQ) was established by Congress under the National Environmental Policy Act of 1969 (NEPA). The Office of Environmental Quality (OEQ), which provides professional and administrative staff for the Council, was established in the Environmental Quality Improvement Act of 1970. The Council on Environmental Policy has statutory responsibility under NEPA for environmental oversight of all Federal agencies and is to lead interagency decision-making of all environmental matters.

While the Committee applauds the actions taken by the Executive Office of the President to reconstitute the CEQ and OEQ in a manner which is more in line with the statutory requirements set forth for these entities, the Committee is nevertheless concerned that greater oversight and coordination of environmental policy and actions of the many Federal departments and agencies is necessary. Far too often, environmental policy as articulated by the White House bears no relationship to the actual implementation of that policy.

In addition, the Committee remains concerned with the apparent disregard of the clear statutory reading of Section 202 of NEPA, which states in part, "The Council shall be composed of three members who shall be appointed by the President to serve at his pleasure, by and with the consent of the Senate." While the Committee does not necessarily advocate that there be three members, it nevertheless notes that there has been no effort to either adhere to the statute or request that the statute be amended to require just one Council member. The Committee would hope that the Executive would address this situation prior to next year's budget submission.

For fiscal year 1996, the Committee has recommended $1,000,000 for CEQ and OEQ to be used for necessary close-out costs.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Fiscal Year 1996 Recommendation	$779,437,000
Fiscal Year 1995 Appropriation	821,907,000

Fiscal Year 1996 Budget Request	796,119,000
Comparison with Fiscal Year 1995 Appropriation	−42,470,000

The Federal Emergency management Agency (FEMA) was created by reorganization plan number 3 of 1978. The Agency carries out a wide range of program responsibilities for emergency planning and preparedness, disaster response and recovery, and hazard mitigation under the following authorities:

—Under the Federal Civil Defense Act of 1950, as amended, responsibility for maintaining the nation's emergency management programs at the State and local levels through financial and technical assistance.

—Under the Earthquake Hazards Reduction Act of 1977, as amended, programs designed to identify and reduce earthquake vulnerability and consequences.

—Under Executive Order 12148, responsibility for oversight of the national dam safety program.

—In accordance with provisions set forth in the 1980 Act making appropriations for the Nuclear Regulatory Commission and other statutes, Executive Order 12657, and by Presidential Directive, responsibility for offsite emergency preparedness for fixed nuclear facilities.

—Under the National Security Act of 1947, as amended, programs to provide for continuity of government as well as emergency resources assessment, management, and recovery.

—Under the Federal Fire Prevention and Control Act of 1974, as amended, programs to reduce national fire loss, including training and prevention.

—Under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, administration of a national program to provide flood insurance and to encourage better flood plain management.

—Under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, programs to provide assistance to individuals and State and local governments in Presidentially-declared major disaster or emergency areas.

—Under the Inspector General Act of 1978, as amended, agency-wide audit and investigative functions to identify and correct management and deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

—Under the Agency Chief Financial Officers Act of 1990, systems of accounting, financial management, and internal controls to assure the issuance of reliable financial information and to deter fraud, waste, and abuse of government resources.

—Under the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, and Executive Order 12580, responsibility for specific emergency response activities.

—Under the Hazardous Materials Transportation Act, as amended, programs designed to provide training to prepare for and respond to hazardous materials incidents.

—Under Title III of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended, a program to provide food and shelter to the homeless through a National Board chaired by FEMA and composed of representatives of various charities.

For fiscal year 1996, the Committee recommends $779,437,000, which represents a decrease of $42,470,000 from the fiscal year 1995 funding level and $16,682,000 from the 1996 budget request. This recommendation does not take into account the fiscal year 1995 supplemental for disaster relief of $6,550,000,000.

Of the amounts approved in the following appropriations accounts, the Agency must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committee. Further, no changes may be made to any account or program element if it is construed to be a change in policy. Any program or activity mentioned in this report shall be construed as the position of the Committee and should not be subject to any reductions or reprogrammings without prior approval of the Committee. Finally, the Committee expects that the Agency will fully consult with the Committee prior to the implementation of any reorganization, moving of regional office locations, and adoption of any new programs or activities.

DISASTER RELIEF

Fiscal Year 1996 Recommendation	$320,000,000
Fiscal Year 1995 Appropriation*	320,000,000
Fiscal Year 1996 Budget Request	320,000,000
Comparison with Fiscal Year 1995 Appropriation	....

*Does not include fiscal year 1995 supplemental appropriation of $6,550,000,000 for disaster relief.

The Federal Emergency Management Agency has responsibility for administering disaster assistance programs and coordinating the Federal response in Presidentially declared disasters. Major activities under the disaster assistance program are human services which provides aid to families and individuals; infrastructure which supports the efforts of State and local governments to take emergency protective measures, clear debris and repair infrastructure damage; hazard mitigation which sponsors projects to diminish effects of future disasters; and disaster management, such as disaster field office staff and automated data processing support.

The Committee recommends the President's request of $320,000,000 for disaster relief activities in fiscal year 1996, the same as for fiscal year 1995. In addition to this amount, there is a significant unobligated balance of disaster relief funds made available in prior years as well as a fiscal year 1995 supplemental appropriation of $6,550,000,000 for past and anticipated disaster relief. Language requested by the Administration for an emergency contingency disaster relief fund has been denied.

Because of the large number and severity of natural disasters which have occurred over the past decade, the Congress has regularly responded by appropriating significantly large supplemental requests for disaster relief. The nature of much of the destruction that occurs in a disaster event necessarily requires considerable time between the approval of such supplementals and the actual expenditure of funds needed to replace or repair facilities in a manner consistent with law. Nevertheless, the Committee remains concerned with both the time involved in resolving outstanding mitigation requirements, particularly those involving the January 1994 Northridge earthquake, as well as the amounts of unobligated disaster relief funds carried forward throughout the fiscal year. During fiscal year 1996, the Agency is directed to provide by the last day of each month a report to the Committee which updates the disposition of all ongoing mitigation activities, the amounts necessary to carry-out such mitigation, and the remaining unobligated balance of disaster relief funds.

The Committee is very concerned about FEMA's interpretation of the Stafford Disaster Assistance Act with regard to the definition of private nonprofit Ocean Grove Camp Meeting Association in Neptune, New Jersey. This facility, though deemed eligible to qualify for disaster assistance in the past, has recently been reclassified by FEMA as ineligible, despite the fact that this facility is maintained and operated in the same manner as publicly owned coastal facilities throughout New Jersey. It was not the intent of Congress to exclude the Ocean Grove facility from disaster assistance eligibility. The Committee recognizes the Ocean Grove facility as an example of a nonprofit facility that performs essential services of a governmental nature and the Committee therefore directs FEMA to revise the Ocean Grove facility's eligibility status accordingly.

On April 19, 1995, at 9:04 a.m., an explosive device contained within a rented truck was detonated outside the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, thereby killing 168 individuals and injuring another 467. Within minutes of this disaster, FEMA personnel were actively engaged in structuring the Federal response which, coupled with the response of the State and local governmental entities, business and charity groups throughout the area and the country, and thousands of Oklahomans and others from throughout the United States, represents perhaps the finest example of public and private cooperation during a time of crisis as has been observed in many decades. Despite having no specific experience with this type of disaster, well trained personnel dealing with virtually every aspect of disaster response were quickly and efficiently in place and beginning the difficult job of responding to this devastating event. Starting with FEMA's Director and on down the chain of command in FEMA and numerous other departments and agencies, every individual involved with the response to this disaster deserves the sincere appreciation and gratitude of this Committee for a job well done.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

(STATE SHARE LOAN)

Fiscal Year 1996 Recommendation	$2,155,000
Fiscal Year 1995 Appropriation	2,418,000
Fiscal Year 1996 Budget Request	2,155,000
Comparison with Fiscal Year 1995 Appropriation	−263,000

	Limitation on direct loans	Administrative Expenses
Fiscal Year 1996 Recommendation	($25,000,000)	$95,000
Fiscal Year 1995 Appropriation	(175,000,000)	95,000
Fiscal Year 1996 Budget Request	(25,000,000)	95,000
Comparison with Fiscal Year 1995 Appropriation	(−150,000,000)	....

Beginning in 1992, loans made to States under the cost sharing provisions of the Robert T. Stafford Disaster Relief and Emergency

Assistance Act were funded in accordance with the Federal Credit Reform Act of 1990. The Disaster Assistance Direct Loan Program Account, which was established as a result of the Federal Credit Reform Act, records the subsidy costs associated with the direct loans obligated beginning in 1992 to the present, as well as administrative expenses of this program.

For fiscal year 1996, the Committee has provided $2,155,000 for the cost of State Share Loans, the same as the President's request and a decrease of $263,000 from the fiscal year 1995 level. In addition, the Committee has provided $25,000,000 for the limitation on direct loans pursuant to Section 319 of the Stafford Act, as well as $95,000 for administrative expenses of the program.

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$162,000,000
Fiscal Year 1995 Appropriation	162,000,000
Fiscal Year 1996 Budget Request	169,409,000
Comparison with Fiscal Year 1995 Appropriation	....

This activity encompasses the salaries and expenses required to provide executive direction and administrative staff support for all agency programs in both the headquarters and field offices. The account funds both program support and executive direction activities.

The bill includes $162,000,000 for salaries and expenses, the same as in fiscal year 1995 and a decrease of $7,409,000 from the budget request. This reduction from the budget request is merely a response to fiscal constraints and should not be interpreted as disapproval of the work performed by FEMA employees. The Committee expects FEMA to identify lower priority activities within the salaries and expenses account for reduced funding during fiscal year 1996, and notify the Committee of the proposed changes from the budget request made in this regard.

The Committee notes that FEMA is among the very few accounts within the jurisdiction of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Subcommittee whose fiscal year 1996 budget request represented a reduction from the 1995 level. Nevertheless, in light of the likelihood that the aforementioned fiscal circumstances will not diminish significantly in the foreseeable future, the Committee requests that FEMA continue to review all Headquarters and Regional Office activities to determine where additional savings can be achieved. Such review should include the possible closing of Regional Offices as well other field offices and facilities of the Agency.

Bill language included in the budget request which would have provided additional amounts for fiscal year 1997 has been denied by the Committee.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	$4,400,000
Fiscal Year 1995 Appropriation	4,400,000
Fiscal Year 1996 Budget Request	4,673,000
Comparison with Fiscal Year 1995 Appropriation	....

The Office of Inspector General (OIG) was established administratively within FEMA at the time of the Agency's creation in 1979.

Through a program of audits, investigations and inspections, the OIG seeks to prevent and detect fraud and abuse and promote economy, efficiency and effectiveness in the Agency's programs and operations. Although not originally established by law, FEMA's OIG was formed and designed to operate in accordance with the intent and purpose of the Inspector General Act of 1978. The Inspector General Act Amendments of 1988 created a statutory Inspector General within FEMA.

For fiscal year 1996, the Committee has recommended $4,400,000 for the Office of Inspector General, the same as in fiscal year 1995 and $273,000 below the budget request.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Fiscal Year 1996 Recommendation	$203,044,000
Fiscal Year 1995 Appropriation	215,960,000
Fiscal Year 1996 Budget Request	203,044,000
Comparison with Fiscal Year 1995 Appropriation	−12,916,000

This appropriation provides program resources for the majority of FEMA's "core" activities, including, response and recovery; preparedness, training and exercises; mitigation programs, fire prevention and training; information technology services; operations support; and executive direction. Costs for the floodplain management component is borne by policyholders and reimbursed from the National Flood Insurance Fund.

A fiscal year appropriation of $203,044,000 has been recommended, the same as the budget request and a reduction of $12,916,000 from the fiscal year 1995 level. From within this appropriated level, $500,000 is for continued work in determining geotechnical and structural risks, and planning for mitigation, response, and recovery through the Regional Earthquake Hazard Mapping and Preparedness Program by Metro and DOGAMI, and $1,000,000 is for the development of a statewide and regional directory of safe, hurricane-proof evacuation shelters in Alabama, Arkansas, Florida, Louisiana, Mississippi, and Texas. Finally, an additional $4,000,000 above the budget request is provided for Emergency Management Assistance grants to the states and is to be derived by a reduction of $4,000,000 from FEMA's underground storage tank program.

Bill language included in the budget request which would have provided additional amounts for fiscal year 1997 is denied by the Committee.

EMERGENCY FOOD AND SHELTER PROGRAM

Fiscal Year 1996 Recommendation	$100,000,000
Fiscal Year 1995 Appropriation	130,000,000
Fiscal Year 1996 Budget Request	130,000,000
Comparison with Fiscal Year 1995 Appropriation	−30,000,000

The Emergency Food and Shelter Program within the Federal Emergency Management Agency originated in the 1983 Emergency Jobs legislation. Minor modifications were incorporated in the Stewart B. McKinney Homeless Assistance Act. The program is designed to help address the problems of the hungry and homeless. Appropriated funds are awarded to a National Board to carry out programs for sheltering and feeding the needy. This program is nationwide in scope and provides such assistance through local private voluntary organizations and units of government selected by local boards in areas designated by the National Board as being in highest need.

The Committee has recommended $100,000,000 for the Emergency Food and Shelter Program, a decrease of $30,000,000 below the budget request and the fiscal year 1995 funding level. The Committee continues to believe this is a well run and very worthwhile program and notes the recommended reduction is due to fiscal constraints such as those observed elsewhere in the bill.

Once again, bill language is included which limits administrative costs to 3.5% for fiscal year 1996.

NATIONAL FLOOD INSURANCE FUND

The Flood Disaster Protection Act of 1973 requires the purchase of insurance in communities where it is available as a condition for receiving various forms of Federal financial assistance for acquisition and construction of buildings or projects within special flood hazard areas identified by the Federal Emergency Management Agency. All existing buildings and their contents in communities where flood insurance is available, through either the emergency or regular program, are eligible for a first layer of coverage of subsidized premium rates.

Full risk actuarial rates are charged for new construction or substantial improvements commenced in identified special flood hazard areas after December 31, 1974, or after the effective date of the flood insurance rate map issued to the community, whichever is later. For communities in the regular program, a second layer of flood insurance coverage is available at actuarial rates on all properties, and actuarial rates for both layers apply to all new construction or substantial improvements located in special flood hazard areas. The program operations are financed with premium income augmented by Treasury borrowings.

The Committee has included bill language proposed in the budget request for salaries and expenses to administer the fund, not to exceed $20,562,000, and for mitigation activities, not to exceed $70,464,000, including a limitation of $12,000,000 for expenses under Section 1366 of the National Flood Insurance Act of 1968, as amended.

The Committee notes that some concern surrounds the Agency's plan regarding Flood Rate Insurance Directories (FRIDs) as well as a proposal to sell Flood Insurance directly to homeowners and businesses. The Committee has provided no funds in fiscal year 1996 to produce FRIDs or to sell flood insurance directly to the public.

The Committee is aware that the City of Stockton and San Joaquin County, California are restoring existing levee systems that a FEMA flood hazard restudy has determined no longer meet FEMA's minimum flood protection standards under the National Flood Insurance Program. For fiscal year 1996 only, the Committee has included language in the bill making no funds available for any further work on effective Flood Insurance Rate Maps (FIRMs) in Stockton and San Joaquin County, based on FEMA's restufy of flood hazards on South Paddy Creek, Middle Paddy Creek, Paddy Creek, Bear Creek, Mosher Slough, Calaveras River, Potter A

Slough, Potter B Slough, Mormon Slough, and the Diversion Channel.

However, nothing in the statute or in the Committee Report shall be construed to limit the authoity of the City or the County to impose elevation or other requirements for new construction based upon the best available flood date, including data developed in the preparation of the preliminary FIRM. The Committee strongly urges the City and the County to take measures to inform property owners of the increased flood risk while the City and the County are restoring existing levee systems.

ADMINISTRATIVE PROVISION

The Committee has once again this year included bill language proposed in the budget request which provides for the assessment and collection of fees in an amount that approximates the amount anticipated by the Federal Emergency Management Agency to be obligated for its radiological emergency program during the fiscal year. This amount is estimated to be $12,257,000 in fiscal year 1996.

The Committee is not convinced that the Agency's proposal to create a Working Capital Fund for fiscal year 1996 will achieve the efficiency or cost savings anticipated by the Agency and therefore directs that no workyears or funds be diverted or directed to such an effort or activity.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Fiscal Year 1996 Recommendation	$2,061,000
Fiscal Year 1995 Appropriation	2,004,000
Fiscal Year 1996 Budget Request	2,061,000
Comparison with Fiscal Year 1995 Appropriation	+57,000

The Consumer Information Center (CIC) helps Federal departments and agencies promote and distribute consumer information and promotes public awareness of existing government publications through dissemination of a consumer information catalog and other media programs.

The Consumer Information Center Fund, a revolving fund established by Public Law 98-63, provides for the efficient operation of the Consumer Information Center. The revolving fund finances CIC activities through annual appropriations, reimbursement from agencies for distribution costs, fees collected from the public, and incidental income.

The Committee recommends the fiscal year 1996 request of $2,061,000. This is an increase of $57,000 from the fiscal year 1995 level. The bill also includes a limitation on the availability of the revolving fund to $7,500,000. Any revenues accruing to this fund during fiscal year 1996 in excess of this amount shall remain in the fund and are not available for expenditure except as authorized in appropriations Acts.

In addition, the Committee has included language limiting administrative expenses to $2,502,000, which is $148,000 above the fiscal year 1995 level.

Department of Health and Human Services

OFFICE OF CONSUMER AFFAIRS

Fiscal Year 1996 Recommendation	$1,811,000
Fiscal Year 1995 Appropriation	2,166,000
Fiscal Year 1996 Budget Request	1,811,000
Comparison with Fiscal Year 1995 Appropriation	355,000

The Office of Consumer Affairs (OCA) strives to assure that consumer viewpoints are represented within the Federal government and seeks to inform and educate individual citizens to deal more effectively in the marketplace.

The Committee recommends $1,811,000, the budget request for fiscal year 1996. The Committee continues a provision in bill language allowing the OCA to solicit, accept, and deposit gifts to defray the costs of printing, publishing, and distributing consumer information.

National Aeronautics and Space Administration

Fiscal Year 1996 Recommendation	$13,671,800,000
Fiscal Year 1995 Appropriation	14,376,684,000
Fiscal Year 1996 Budget Request	14,260,000,000
Comparison with Fiscal Year 1995 Appropriation	−704,884,000

The National Aeronautics and Space Administration was created by the National Space Act of 1958. NASA conducts space and aeronautics research, development, and flight activity that is designed to ensure and maintain U.S. preeminence in space and aeronautical endeavors.

The Committee has recommended a total program level of $13,671,800,000 in fiscal year 1996, which represents a reduction of $588,200,000 below the budget request and $704,884,000 below the fiscal year 1995 enacted appropriation.

HUMAN SPACE FLIGHT

Fiscal Year 1996 Recommendation	$5,449,600,000
Fiscal Year 1995 Appropriation	5,514,897,000
Fiscal Year 1996 Budget Request	5,509,600,000
Comparison with Fiscal Year 1995 Appropriation	−65,297,000

This appropriation provides for human space flight activities, including development of the space station, and operation of the space shuttle. This account also includes support of planned cooperative activities with Russia, upgrades to the performance and safety of the space shuttle, and required construction projects in direct support of the space station and space shuttle programs.

The Committee recommends a total of $5,449,600,000 for the human space flight account. The recommendation is $60,000,000 below the budget request and $65,297,000 below the fiscal year 1995 enacted appropriation.

The Committee recommendation reflects savings which accrue as a result of the closure of the Yellow Creek Facility at Iuka, Mississippi. The Committee has also included language in the bill facilitating the transfer of the Yellow Creek Facility to the State of Mississippi.

The Committee urges a timely implementation of a shuttle prime contract management structure that will achieve maximum cost-savings efficiencies while preserving the nation's commitment to shuttle safety.

The Committee has included language in the Bill which delays $390,000,000 of space station funding for ten months, until August 1, 1996. It is the Committee's understanding that this provision will not have an adverse effect on the execution of the program and directs the Administrator to take such actions as are necessary to ensure that the program remains on schedule and on budget.

SHUTTLE MISSION SIMULATORS

Shuttle mission simulators are critical tools in preparing astronaut crews for spaceflight, and their reliability and dependability are vital to flight safety and mission success. The shuttle program's two primary high-fidelity simulators have supported astronaut training since the mid-1970's, and have weathered astronaut training sessions for 68 (as of May 1995) space shuttle flights. The continued successful performance of these complex, high-technology systems is imperative, and is worthy of additional concern in consideration of the high utilization rates combined with system aging. Accordingly, the Committee directs NASA to develop a plan which assures system viability and readiness through a program of maintenance, monitoring, and replacement of aging components.

CENTERS FOR THE COMMERCIAL DEVELOPMENT OF SPACE

As in the past, the Committee supports adequate funding for the Space Vacuum Epitaxy Center to fully accomplish its objectives for the Wake Shield Facility. The Committee recognizes the positive contributions of the Centers for the Commercial Development of Space, particularly in the area of space power-related technology. NASA is urged to continue support of this activity.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Fiscal Year 1996 Recommendation	$5,588,000,000
Fiscal Year 1995 Appropriation	5,901,200,000
Fiscal Year 1996 Budget Request	6,006,900,000
Comparison with Fiscal Year 1995 Appropriation	−313,200,000

This appropriation provides for the research and development activities of the National Aeronautics and Space Administration. These activities include: space science, life and microgravity science, mission to planet earth, aeronautical research and technology, advanced concepts and technology, launch services, and academic programs. Funds are also included for the construction, maintenance, and operation of programmatic facilities.

The Committee recommends $5,588,000,000 for Science, Aeronautics and Technology in fiscal year 1996. The amount recommended is $418,900,000 below the budget request and $313,200,000 below the fiscal year 1995 appropriation.

SPACE SCIENCE

The Committee recommends $1,975,400,000 for fiscal year 1996, an increase of $16,500,000 to the budget request of $1,958,900,000. The funding adjustments within this account are as follows: No funding is provided for the Space Infrared Telescope Facility, a reduction of $15,000,000 from the budget request. Funding for the Stratospheric Observatory for Infrared Astronomy (SOFIA) is set at $28,700,000, a reduction of $20,000,000 from the budget request. Finally, the Committee has included $51,500,000 for the Gravity Probe B program to ensure its schedule remains intact as recommended by the National Academy of Sciences in their report on the project.

LIFE AND MICROGRAVITY SCIENCES

The NASA Space Radiation Health Program is designed to study how to protect astronauts from radiation in space. Protons are a particular concern in the space radiation environment, constituting the most abundant particle species and contributing as much as half of the biologically significant radiation dose to which humans will be exposed in the space station program and in future missions. In order to accelerate the availability of the benefits of proton research to NASA and broaden the base of knowledge gained through the interaction of proton and molecular research, the Committee directs that no less than $4,500,000 of the funding provided for Life and Microgravity Sciences be dedicated to the study of protons.

MISSION TO PLANET EARTH

The Committee recommends a reduction of $338,600,000 from the fiscal year 1996 budget request of $1,341,100,000. The reduction includes $6,000,000 to be taken from the Consortium for International Earth Science Network, which will terminate NASA support for this project. In addition $332,600,000 in other funding reductions are directed. The Administrator of NASA is directed to provide a restructured program to the Committee by August 31, 1995.

AERONAUTICAL RESEARCH AND TECHNOLOGY

The Committee recommends a reduction of $55,000,000 in aeronautical research and technology. The budget request includes $20,000,000 for research on an advanced air traffic management system in "close cooperation with the Federal Aviation Administration," using as a baseline the recommendations of a blue ribbon steering committee consisting of senior government and private sector participants. The Committee recommends no funding for this effort in fiscal year 1996 because the steering committee is not yet in place and the Committee is not aware of any effort to establish such a steering committee. Further, the budget documentation submitted to the Congress does not indicate that this effort is a high priority of the FAA since less than $10,000,000 has been requested for all of the FAA Air Traffic Management Technology programs.

Additionally, the Committee recommends a reduction of $35,000,000 from the budget request for high performance computing and communications. The Committee believes that a number of activities planned for fiscal year 1996 are more appropriately the responsibility of private industry and directs NASA to carefully evaluate its future high performance computing and communications efforts to eliminate projects which are more appropriately funded by the private sector.

SPACE ACCESS AND TECHNOLOGY

The Committee recommends $680,000,000 for Space Access and Technology, a reduction of $25,300,000 from the budget request and an increase of $37,900,000 when compared to the fiscal year 1995 appropriation.

The Committee recommends funding for the Earth Applications Systems at the fiscal year 1995 level of $49,800,000, a reduction of $21,300,000 from the budget request for fiscal year 1996.

The Committee recommendation also includes no funding for the Partnership for Next Generation Vehicle, a reduction of $7,000,000 from the budget request.

The Committee reiterates its support for the Q SORT program and urges NASA to continue ongoing efforts in domain specific software reuse in collaboration with other government agencies.

The Committee has included $3,000,000 to be used for the development of a space port facility in Florida. The Committee understands that the authorizing committee of jurisdiction will be enacting legislation establishing a program with the goal of all Federal funds being matched by State funds and endorses such an approach.

COMMERCIAL TECHNOLOGY PROGRAMS

The Committee recommends the budget request of $40,400,000 for Commercial Technology programs in fiscal year 1996. Within the amount provided, the Committee directs that $4,500,000 is to be available only for development of a Rural State Technology Transfer and Commercialization Center in partnership with a land-grant university. The objective of the Center will be to establish new companies in rural states using NASA-developed technologies which have commercial potential, and "scouting out" technologies and matching them with existing company strengths.

REUSABLE LAUNCH VEHICLES

The Committee recommends full funding of the budget request for the Advanced Space Transportation program which includes funding for the X–33 and X–34 reusable launch vehicle programs. The Committee endorses these programs because of the significant investment being made by the private sector partners and the Committee's belief that these programs have a fundamental commercial objective which needs to be fostered. The Committee encourages NASA to continue these two programs as necessary technology demonstrators which can have significant commercial applications. In particular, the Committee endorses the X–34 program as an innovative initiative that will serve as a technology and management testbed for the X–33, as well as promoting continued U.S. leadership in the small satellite space launch market.

ACADEMIC PROGRAMS

The Committee recommends $102,200,000 for Academic Programs in fiscal year 1996, a reduction of $16,500,000 from the budget request and no change from the fiscal year 1995 appropriation level.

While the reduction recommended by the Committee is substantial, the Committee believes the funding level, which is almost 20 percent higher than the fiscal year 1994 funding for this effort, is sufficient to achieve established goals. The Committee strongly supports and agrees that the recent expansion of NASA funded educational programs, which expand opportunities and enhance diversity in the NASA sponsored research and education community—especially for the minority institutions and for socially and economically disadvantaged and disabled students, historically underrepresented in NASA research and education programs—are meritorious and should be supported. The Committee directs NASA to achieve a balance between the proportion of NASA funding received by minority institutions of higher education and other institutions of higher education. The Committee intends that this funding goal apply agency and program-wide at the Agency.

EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH

The Committee has provided the budget request for the Experimental Program to Stimulate Competitive Research (EPSCoR). The Committee is generally pleased with NASA's implementation of this program. While the number of full awards has been fewer than planned, the Committee urges NASA to continue its efforts to integrate EPSCoR researchers into on-going NASA research and development programs and activities. The Committee also hopes that NASA will work with the EPSCoR Foundation to disseminate and share information among the EPSCoR states so that the states can benefit from the experiences of the other participating states.

MISSION SUPPORT

Fiscal Year 1996 Recommendation	$2,618,200,000
Fiscal Year 1995 Appropriation	2,554,587,000
Fiscal Year 1996 Budget Request	2,726,200,000
Comparison with Fiscal Year 1995 Appropriation	+63,613,000

The appropriation provides for mission support, including: safety, reliability, and quality assurance activities supporting agency programs; space communication services for NASA programs; salaries and related expenses in support of research in NASA field installations; design, repair, rehabilitation, and modification of institutional facilities and construction of new institutional facilities; and other operational activities supporting the conduct of agency programs.

The Committee recommends a total of $2,618,200,000 for the mission support account. The recommended amount is $108,000,000 below the budget request and $63,613,000 above the fiscal year 1995 appropriation.

The Committee recommendation includes a reduction of $108,000,000 in salaries and related expenses resulting from the voluntary retirement of 1,438 individuals during the current year which had not been anticipated when the fiscal year 1996 budget request was submitted.

NASA DOWNSIZING

On May 17, 1995 the National Aeronautics and Space Administration announced the results of its Zero-Base Assessment of operations. The conclusions announced at that time were the result of an extensive review effort which had begun in November of 1994 and gained added urgency when NASA's long term budget was reduced approximately $5 billion by the President in January of 1995.

Six basic principles guided the review team as they did their work. Those basic principles were:

1. No NASA Centers are to be closed;
2. Avoid major program impacts;
3. Establish meaningful missions and roles for each Center;
4. Retain core competency of the workforce;
5. Pursue immediate efficiency and re-structuring saving; and
6. Strive for outsourcing, privatization, and commercialization.

The Committee believes the plan which resulted from the Zero-Base Assessment is credible and will achieve $5 billion in savings beginning in fiscal year 1997. However, events which have transpired since January and which were not considered by the Zero-Base Assessment team cause the Committee to be concerned that the long term budget target, which is much lower than that considered by the management team, can only be achieved by revisiting the first two principles. Namely, serious action must be taken to reduce infrastructure through re-structuring of NASA Centers, and major programs will need to be altered or canceled.

The Committee has therefore included language in the Bill which directs NASA to complete a study by March 31, 1996 on the cost of performing functions at current Space Flight Centers and Research Centers and logical alternative locations, with a goal of achieving significant cost savings through consolidation or re-structuring.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	$16,000,000
Fiscal Year 1995 Appropriation	16,000,000
Fiscal Year 1996 Budget Request	17,300,000
Comparison with Fiscal Year 1995 Appropriation	−1,300,000

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for audit and investigation of all agency programs.

The Committee recommends $16,000,000 for the Office of Inspector General in fiscal year 1996, the same as provided in the fiscal year 1995 appropriation and $1,300,000 below the budget request.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Limitation of Direct Loans	Administrative Expenses
FY 1996 Recommendation	$600,000,000	$560,000
FY 1995 Appropriation	600,000,000	901,000

	Limitation of Direct Loans	Administrative Expenses
FY 1996 Budget Request	600,000,000	560,000
Comparison with 1995 Appropriation	0	−341,000

The National Credit Union Central Liquidity Facility Act established the National Credit Union Administration Central Liquidity Facility (CLF) on October 1, 1979 as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration and is owned by its member credit unions. Loans may not be used to expand a loan portfolio, but are authorized to meet short-term requirements such as emergency outflows from managerial difficulties, seasonal credit, and protracted adjustment credit for long-term needs caused by disintermediation or regional economic decline.

The Committee recommends the requested limitations of $600,000,000 on new loans and $560,000 on administrative expenses.

NATIONAL SCIENCE FOUNDATION

Fiscal Year 1996 Recommendation	$3,160,000,000
Fiscal Year 1995 Appropriation	3,360,520,000
Fiscal Year 1996 Budget Request	3,360,000,000
Comparison with Fiscal Year 1995 Appropriation	−200,520,000

The National Science Foundation was established in 1950 and received its first appropriation of $225,000 in 1951. The primary purpose behind its creation was to develop a national policy on science, and to support and promote basic research and education in the sciences filling the void left after World War II.

The Committee recommends a total of $3,160,000,000 for fiscal year 1996. This is a reduction of $200,000,000 from the budget request and $200,520,000 below the fiscal year 1995 appropriation.

Of the amounts approved in the following appropriations accounts, the Foundation must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committee. Further, no changes may be made to any account or program element if it is construed to be policy or a change in policy. Any activity or program cited in this report shall be construed as the position of the Committee and should not be subject to reductions or reprogramming without prior approval of the Committee. Finally, it is the intent of the Committee that all carryover funds in the various appropriations accounts are subject to the normal reprogramming requirements outlined above.

RESEARCH AND RELATED ACTIVITIES

Fiscal Year 1996 Recommendation	$2,254,000,000
Fiscal Year 1995 Appropriation	2,280,000,000
Fiscal Year 1996 Budget Request	2,454,000,000
Comparison with Fiscal Year 1995 Appropriation	−26,000,000

The appropriation for Research and Related Activities covers all programs in the Foundation except Education and Human Resources, Academic Research Infrastructure, Salaries and Expenses, NSF Headquarters Relocation, Major Research Equipment, and the Office of Inspector General. These are funded in other accounts in the bill. The Research and Related Activities appropriation includes United States Polar Research Programs and Antarctic Logistical Support Activities and the Critical Technologies Institute, which were previously funded through separate appropriations.

The Committee recommends a total of $2,254,000,000 for Research and Related Activities in fiscal year 1996, a reduction of $200,000,000 from the budget request. The reduction recommended by the Committee is taken without prejudice and is to be allocated by the Foundation in accordance with internal procedures, subject to approval by the Committee.

NATIONAL CONSORTIUM FOR RESEARCH ON VIOLENCE

The Committee commends the Foundation for its efforts to advance fundamental knowledge about interpersonal conflict, through support of a National Consortium for Research on Violence. Consistent with guidance from the Committee, the Foundation ensured the participation of researchers from underrepresented populations in planning the program solicitation and in the groups that responded to that solicitation. In addition, formal linkages with other federal agencies resulted in the transfer of $2,000,000 for fiscal year 1995 from the Department of Housing and Urban Development to the Foundation for research, by the consortium, on violence in public housing. The Foundation allocated $2,000,000 from its own budget for fiscal year 1995 for the consortium, an activity that will involve a network of researchers from a set of leading institutions. The Committee recommends that the Foundation continue its funding at that level for fiscal year 1996.

MAJOR RESEARCH EQUIPMENT

Fiscal Year 1996 Recommendation	$70,000,000
Fiscal Year 1995 Appropriation	126,000,000
Fiscal Year 1996 Budget Request	70,000,000
Comparison with Fiscal Year 1995 Appropriation	−56,000,000

This account provides funding for the construction of major research facilities that provide unique capabilities at the cutting edge of science and engineering.

The Committee recommends a total of $70,000,000 for the major research equipment account for fiscal year 1996. This level reflects the total amount requested in the President's budget for construction of the Laser Interferometer Gravitational Wave Observatory (LIGO).

ACADEMIC RESEARCH INFRASTRUCTURE

Fiscal Year 1996 Recommendation	$100,000,000
Fiscal Year 1995 Appropriation	250,000,000
Fiscal Year 1996 Budget Request	100,000,000
Comparison with Fiscal Year 1995 Appropriation	−150,000,000

This program is a consolidation of academic research facility modernization and support of academic research instrumentation.

The Committee recommends the budget request of $100,000,000 for this activity in fiscal year 1996.

EDUCATION AND HUMAN RESOURCES

Fiscal Year 1996 Recommendation	$599,000,000
Fiscal Year 1995 Appropriation	605,974,000
Fiscal Year 1996 Budget Request	599,000,000
Comparison with Fiscal Year 1995 Appropriation	−6,974,000

The Foundation's Education and Human Resources activities are designed to encourage the entrance of talented students into science and technology careers, to improve the undergraduate science and engineering education environment, to assist in providing all pre-college students with a level of education in mathematics, science, and technology that reflects the needs of the nation and is the highest quality attained anywhere in the world, and extend greater research opportunities to underrepresented segments in the scientific and engineering communities.

For fiscal year 1996, the Committee has provided the President's request of $599,000,000. This level is $6,974,000 below the fiscal year 1995 appropriation. Given the resource constraints facing the Foundation, the Committee believes that the Foundation support for math and science education should be provided strictly on the basis of merit to institutions of higher education, independent museums, professional societies and associations, state and local educational entities, and other similar eligible organizations that are primarily associated with educational activities.

EDUCATION SYSTEM REFORM

The Committee strongly supports the Urban Systemic Initiative (USI) and commends the Foundation for the significant progress made in the first nine awards. The Committee urges the Foundation to make all reasonable efforts to fully fund these awards and the recent second seven awards at the agreed level of $3,000,000 per year. Further, beyond the USI program, the Committee recognizes the significant accomplishments of the Alliance for Minority Participation in Science and the Advanced Technology Education programs. The Committee urges the Foundation to give the highest priority attention to these two very important activities.

EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH

The Committee is pleased with the efforts which the Foundation has made to ensure that the Experimental Program to Stimulate Competitive Research (EPSCoR) is part of the broader systemic reform initiatives pursued in recent years. These efforts have formed a solid base for education and human resource development activities in many of the EPSCoR states. The same success has not, however, occurred with respect to the research directorates. The Committee believes that new efforts are needed to mainstream EPSCoR researchers and research clusters into research directorate activities, and to include representatives from EPSCoR states on panels, advisory committees, and other bodies. EPSCoR is, after all, a research-based program and its ultimate measure of success must be determined by the extent to which its participants can move into the mainstream of research programs and research decision-making. The Committee understands that it takes time to become competitive, but it also believes that the Foundation needs to place a renewed emphasis on such mainstreaming. The Committee directs the Foundation to report by December 1, 1995, on how increased interaction can be achieved between the research directorates and the EPSCoR states and how better representation on appropriate committees can be achieved.

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$127,310,000
Fiscal Year 1995 Appropriation	123,966,000
Fiscal Year 1996 Budget Request	127,310,000
Comparison with Fiscal Year 1995 Appropriation	+3,344,000

The Salaries and Expenses activity provides for the operation, support and management, and direction of all Foundation programs and activities and includes necessary funds that develop, manage, and coordinate Foundation programs.

The Committee recommends an appropriation of $127,310,000 for salaries and expenses in fiscal year 1996. This is $3,344,000 above the fiscal year 1995 appropriation and the same as the President's budget request.

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	$4,490,000
Fiscal Year 1995 Appropriation	4,380,000
Fiscal Year 1996 Budget Request	4,490,000
Comparison with Fiscal Year 1995 Appropriation	+110,000

This account provides National Science Foundation audit and investigation functions to identify and correct management and administrative deficiencies which could lead to fraud, waste, or abuse.

For fiscal year 1996, the Committee has recommended $4,490,000 for the Office of Inspector General. This is $110,000 above the fiscal year 1995 level and is the same as the President's budget request.

NATIONAL SCIENCE FOUNDATION HEADQUARTERS RELOCATION

Fiscal Year 1996 Recommendation	$5,200,000
Fiscal Year 1995 Appropriation	5,200,000
Fiscal Year 1996 Budget Request	5,200,000
Comparison with Fiscal Year 1995 Appropriation	....

This account provides reimbursement to the General Services Administration (GSA) for expenses incurred by GSA pursuant to the relocation of the National Science Foundation.

The Committee has provided the budget request of $5,200,000 for this activity in fiscal year 1996.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Fiscal Year 1996 Recommendation	$38,667,000
Fiscal Year 1995 Appropriation	38,667,000
Fiscal Year 1996 Budget Request	55,000,000
Comparison with Fiscal Year 1995 Appropriation	....

The Neighborhood Reinvestment Corporation, established by title VI of Public Law 95–557 in October 1978, is committed to promoting reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government. This is primarily accomplished by assisting community-based partnerships (NeighborWorks organizations) in a range of local revitalization efforts. Increases in homeownership among lower-income families is a key revitalization tool. Neighborhood Housing Services of America (NHSA) supports lending activities of the NeighborWorks organizations through a national secondary market that leveraged over $125,000,000 last year in private sector investment.

The Committee recommends an appropriation of $38,667,000 for fiscal year 1996, the same amount as provided in fiscal year 1995.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Fiscal Year 1996 Recommendation	$22,930,000
Fiscal Year 1995 Appropriation	22,930,000
Fiscal Year 1996 Budget Request	23,304,000
Comparison with Fiscal Year 1995 Appropriation	....

The Selective Service System was reestablished by the Selective Service Act of 1948. The basic mission of the System is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which men will be brought into military if Congress and the President should authorize a return to the draft.

The full time civil servants who are in charge of the agency's programs are augmented by part-time and volunteer personnel, including Army National Guard and Reserve Officers, uncompensated civilian board members, and 56 civilian State Directors. These individuals receive periodic training in their critical responsibilities to ensure that the Agency is ready to mobilize in the event of a return to conscription.

For fiscal year 1996, the Committee recommends an appropriation of $22,930,000, the same as the fiscal year 1995 appropriation and a decrease of $374,000 from the 1996 budget request.

TITLE IV

CORPORATIONS

FEDERAL DEPOSIT INSURANCE CORPORATION

SAVINGS ASSOCIATION INSURANCE FUND

The Savings Association Insurance Fund (SAIF), authorized for appropriations under section 211 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and managed by the Federal Deposit Insurance Corporation (FDIC), will provide resources for payments on insured deposits of SAIF member institutions that fail on or after July 1, 1995. SAIF's resources include insurance assessments from SAIF member institutions, appropriations and investment income from resources not immediately needed for fund operations. Resources will be expended from the SAIF to pay insured depositors, to pay FDIC salaries and expenses in managing the SAIF, to pay for the supervision and regulation of SAIF member institutions, and expenses related to receivership management, including the disposal of assets acquired from failed thrifts. The sale of receivership assets by the FDIC is a source of liquidity for the SAIF.

The Resolution Trust Corporation Completion Act of 1993 (RTCCA) (P.L. 103–204) provides for a direct appropriation to the Secretary of the Treasury for the SAIF. The appropriation is subject to specific certifications which must be made by the Chairman of the FDIC and may not exceed an aggregate of $8,000,000,000 for fiscal years 1994 through 1998. In addition, the RTCCA authorizes the SAIF to utilize unexpended appropriations of the RTC after the termination of the RTC, subject to specific certifications by the Chairperson of the FDIC. No funds have been requested in this fiscal year for SAIF.

The Committee is concerned, however, that the SAIF is currently undercapitalized. The Committee urges the Corporation and the Administration to propose solutions to ensure the adequate capitalization of the SAIF.

FSLIC RESOLUTION FUND

The Federal Savings and Loan Insurance Corporation (FSLIC) Resolution Fund (FRF) was established by section 215 of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, as a separate fund under the management of the Federal Deposit Insurance Corporation (FDIC). The FRF is the vehicle for liquidating the remaining assets and obligations of the former FSLIC. This principally involves payments on FSLIC contractual commitments made in prior years to assist financially in the acquisition of failed thrift institutions.

Generally, all assets and liabilities of the former FSLIC have been transferred to the FRF. This includes all liabilities arising under the financial assistance agreements and all FSLIC-related litigation.

Upon termination of the RTC, no later than December 31, 1995, all assets and liabilities of the RTC shall be transferred to the FRF. The FRF will be dissolved upon satisfaction of all liabilities and sale of all assets and any unexpended funds will be returned to the Treasury.

In fiscal year 1995, the Committee provided $827,000,000 and included language which allows for funds in this account to be available until expended. No additional funds have been requested for the FRF in fiscal year 1996.

FDIC AFFORDABLE HOUSING PROGRAM

Fiscal Year 1996 Recommendation	$0
Fiscal Year 1995 Appropriation	15,000,000
Fiscal Year 1996 Budget Request	15,000,000
Comparison with Fiscal Year 1995 Appropriation	−15,000,000

The Federal Deposit Insurance Corporation (FDIC) Improvement Act of 1991 required the FDIC to implement an affordable housing program. Under this program, the FDIC provides rebates and discounts to low- and moderate-income households for the purchase of certain affordable single-family homes in its inventory of properties retained from failed banks. Eligible properties include residential properties with appraised values less than or equal to the FHA mortgage loan limit for the applicable county, subject to a statutory cap. Upon acquiring an eligible property, the FDIC will restrict the sale of these properties to low- and moderate-income buyers for 180 days. After 180 days, properties can be sold to anyone. Discounts and subsidies, however, will still be available to qualified buyers after the 180-day marketing period.

The Committee recommends no appropriation in fiscal year 1996 for the FDIC affordable housing program.

Resolution Trust Corporation

OFFICE OF INSPECTOR GENERAL

Fiscal Year 1996 Recommendation	$11,400,000
Fiscal Year 1995 Appropriation	32,000,000
Fiscal Year 1996 Budget Request	11,400,000
Comparison with Fiscal Year 1995 Appropriation	−20,600,000

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) established the Office of Inspector General at the Resolution Trust Corporation (RTC). The Inspector General operates under the provisions of the Inspector General Act of 1978, as amended, and audits and investigates all RTC programs and operations. The audit function provides oversight and evaluation of Corporation activities and services to identify and correct conditions allowing potential fraud, waste, and mismanagement. The investigative function provides for the detection and investigation of improper and illegal activities involving Corporation programs, personnel, contractors and operations. Following RTC's sunset on December 31, 1995, the Office of Inspector General will merge its operations with the inspector general function in the Federal Deposit Insurance Corporation (FDIC). The fiscal year 1996 appropriation provides for the final quarter and transition of RTC inspector activities.

The Committee recommends the budget estimate of $11,400,000.

TITLE V

GENERAL PROVISIONS

The Committee recommends that the 18 general provisions carried in the 1995 Appropriations Act be continued in fiscal year 1996, except Sec. 509 which prohibits funds for personnel compensation and benefits from being available for other object classifications. Deletion of this general provision, as requestd by the Administration, will permit the departments and agencies greater flexibility in the administration of programs.

The Committee has also included as a general provision language emphasizing the importance of federal agency personnel adhering to provisions of law relating to risk assessment, the protection of private property rights, and unfunded mandates. This provision does not establish any new law in these areas. It is intended as a statement of Congressional expectations regarding program administration once applicable federal law is enacted.

The Administration requests that the Department of Housing and Urban Development be given authority to transfer up to two percent of any appropriation or earmarked amount among such appropriations or earmarked amounts. The Committee believes the current funding procedures are adequate and has not included the requested language in the bill.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives:

INFLATIONARY IMPACT STATEMENT

Clause 2(l)(4) of rule XI of the House of Representatives requires that each Committee report on a bill or resolution shall contain a statement as to whether enactment of such bill or resolution may have an inflationary impact on prices and costs in the operation of the national economy.

Some individuals would suggest that practically any spending by Government is inflationary. If that were true, then the funds proposed in this bill would be inflationary. However, all Federal spending is not inherently inflationary. It should be analyzed in the context of the economic situation in which it occurs, the financial condition of Government at the time, and the sectors of the economy which the spending may affect.

The amount proposed for appropriation totals $79,407,521,000. This is $10,482,241,093 below the President's budget request. Included in the total recommended are funds for veterans benefits, assisted housing, community development grants, and environmental programs. Other funds will support advanced technology and science that directly and indirectly increase productivity and national competitiveness.

It is the considered opinion of the Committee that enactment of this bill will not have an inflationary impact on prices and costs in the operation of the national economy. Further information on the purpose of the spending proposed in this bill can be obtained in other parts of this report. Also, a large amount of detailed statistical and financial information can be obtained in the hearings conducted in developing this bill.

RESCISSION OF FUNDS

Pursuant to clause 1(b), rule X of the Rules of the House of Representatives, the following statement is made describing the rescission of funds provided in the accompanying bill.

The Committee recommends a rescission of $198,119,000 under the rental housing assistance program in the Department of Housing and Urban Development resulting from section 236 mortgage prepayments and project terminations.

TRANSFER OF FUNDS

Pursuant to clause 1(b), rule X of the Rules of the House of Representatives, the following statements are made describing the transfers of funds provided in the accompanying bill.

The Committee has included language transferring not to exceed $25,180,000 from compensation and pensions to general operating expenses and medical care. These funds are for the administrative costs of implementing cost saving proposals required by the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992.

The Committee has included language transferring $12,000,000 to compensation and pensions from the medical facilities revolving fund.

The Committee recommends transferring the following amounts to the VA's general operating expenses appropriation pursuant to the Federal Credit Reform Act of 1990: the guaranty and indemnity program account ($65,226,000), the loan guaranty program account ($52,138,000), the direct loan program account ($459,000), the education loan fund program account ($195,000), the vocational rehabilitation loans program account ($377,000), and the Native American veteran housing loan program account ($205,000). In addition, the bill provides for transfers of $7,000 for program costs and $54,000 for the administrative expenses of the transitional housing loan program from the general post fund.

The Committee has included language transferring $7,000,000 from construction, major projects, to the parking revolving fund to provide for the project at the San Juan VA Medical Center.

The Committee recommends providing authority under administrative provisions for the Department of Veterans Affairs for any funds appropriated in 1996 for compensation and pensions, readjustment benefits, and veterans insurance and indemnities to be transferred between those three accounts. This will provide the Department of Veterans Affairs flexibility in administering it entitlement programs.

The Committee has included language transferring all uncommitted prior balances of excess rental charges and all collections made during fiscal year 1996 to the flexible subsidy fund.

The Committee has also included language transferring $225,000 of funds appropriated for administrative expenses to carry out the section 108 loan guarantee program to the departmental salaries and expenses account.

The Committee recommends transferring a total of $495,355,000 from the various funds of the Federal Housing Administration (not to exceed $308,846,000 from the FHA-mutual mortgage insurance program account and $193,299,000 from the FHA-general and special risk program account) for salaries and expenses of the Department of Housing and Urban Development.

The Committee has included language transferring $10,961,000 from various funds of the Federal Housing Administration (not to exceed $6,790,000 from the FHA-mutual mortgage insurance program account and $4,171,000 from the FHA-general and special risk program account) to the office of inspector general. This allows all funds for the inspector general's office to be carried in a single account.

The Committee has included language transferring $8,824,000 from the Government National Mortgage Association's guarantees of mortgage-backed securities loan guarantee program account to HUD's salaries and expenses account.

The Committee recommends language allowing a transfer of $14,895,000 from the federal housing enterprise oversight fund to the office of federal housing enterprise oversight account.

The Committee has included language under HUD administrative provisions transferring obligated and unobligated balances from the renewal of expiring section 8 subsidy contracts account to the annual contribution for assisted housing account.

The Committee has included language under the Environmental Protection Agency transferring funds from the hazardous substance superfund trust fund ($5,000,000) and the leaking underground storage tank trust fund ($426,000) to the office of inspector general account.

The bill includes language transferring $20,000,000 from the oil spill liability trust fund to the oil spill response account.

The bill includes requested language transferring unexpended balances from prior year NASA appropriations to the appropriated new accounts carried in the 1996 bill.

COMPLIANCE WITH RULE XIII, CLAUSE 3

(RAMSEYER)

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

CHAPTER 19—INSURANCE

* * * * * * *

SUBCHAPTER I—NATIONAL SERVICE LIFE INSURANCE

* * * * * * *

§ 1920. National Service Life Insurance Fund

(a) The National Service Life Insurance Fund heretofore created in the Treasury is continued as a permanent trust fund. Except as otherwise provided in this chapter, all premiums paid on account of National Service Life Insurance shall be deposited and covered into the Treasury to the credit of such fund, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance, including payment of dividends and refunds of unearned premiums, *and for the reimbursement of administrative costs under subsection (c).* Payments from this fund shall be made upon and in accordance with awards by the Secretary.

* * * * * * *

(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the National Service Life Insurance Fund, reimburse the "General operating expenses" account of the Department

for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of National Service Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

* * * * * * *

§ 1923. Veterans' Special Life Insurance

(a) Insurance heretofore granted under the provisions of section 621 of the National Service Life Insurance Act of 1940, against the death of the policyholder occurring while such insurance is in force, is subject to the same terms and conditions as are contained in standard policies of National Service Life Insurance on the five-year level premium term plan except (1) such insurance may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums, *and for the reimbursement of administrative costs under subsection (d)*.

* * * * * * *

(d)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the Veterans' Special Life Insurance Fund, reimburse the "General operating expenses" account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect

which, in the judgment of the Secretary, are properly allocable to the provision of Veterans' Special Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

* * * * * * *

SUBCHAPTER II—UNITED STATES GOVERNMENT LIFE INSURANCE

* * * * * * *

§ 1955. United States Government Life Insurance Fund

(a) All premiums paid on account of United States Government life insurance shall be deposited and covered into the Treasury to the credit of the United States Government Life Insurance Fund and shall be available for the payment of losses, dividends, refunds, and other benefits provided for under such insurance, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or the United States District Court for the District of Columbia*, and for the reimbursement of administrative costs under subsection (c)*. Payments from this fund shall be made upon and in accordance with awards by the Secretary.

* * * * * * *

(c)(1) For each fiscal year for which this subsection is in effect, the Secretary shall, from the United States Government Life Insurance Fund, reimburse the "General operating expenses" account of the Department for the amount of administrative costs determined under paragraph (2) for that fiscal year. Such reimbursement shall be made from any surplus earnings for that fiscal year that are available for dividends on such insurance after claims have been paid and actuarially determined reserves have been set aside. However, if the amount of such administrative costs exceeds the amount of such surplus earnings, such reimbursement shall be made only to the extent of such surplus earnings.

(2) The Secretary shall determine the administrative costs to the Department for a fiscal year for which this subsection is in effect which, in the judgment of the Secretary, are properly allocable to the provision of United States Government Life Insurance (and to the provision of any total disability income insurance added to the provision of such insurance).

(3) This subsection shall be in effect only with respect to fiscal year 1996.

* * * * * * *

SUBCHAPTER IV—GENERAL

* * * * * * *

§ 1982. Administrative cost

[The United States] *Except as provided in sections 1920(c), 1923(d), and 1955(c) of this title, the United States* shall bear the cost of administration in connection with this chapter, including expenses for medical examinations, inspections when necessary, printing and binding, and for such other expenditures as are necessary in the discretion of the Secretary.

* * * * * * *

CHAPTER 55—MINORS, INCOMPETENTS, AND OTHER WARDS

* * * * * * *

§5505. Limitation on compensation payments for certain incompetent veterans

(a) In any case in which a veteran having neither spouse, child, nor dependent parent is rated by the Secretary in accordance with regulations as being incompetent and the value of the veteran's estate (excluding the value of the veteran's home) exceeds $25,000, further payment of compensation to which the veteran would otherwise be entitled may not be made until the value of such estate is reduced to less than $10,000.

(b)(1) Subject to paragraph (2) of this subsection, if a veteran denied payment of compensation pursuant to subsection (a) is subsequently rated as being competent, the Secretary shall pay to the veteran a lump sum equal to the total of the compensation which was denied the veteran pursuant to such paragraph. The Secretary shall make the lump-sum payment as soon as practicable after the end of the 90-day period beginning on the date of the competency rating.

(2) A lump-sum payment may not be made under paragraph (1) to a veteran who, within such 90-day period, dies or is again rated by the Secretary as being incompetent.

(3) The costs of administering this subsection shall be paid from amounts available to the Department of Veterans Affairs for the payment of compensation and pension.

(c) This section expires on September 30, 1996.

Section 255(g) of the National Housing Act is to be amended as follows:

(g) LIMITATION ON INSURANCE AUTHORITY.—No mortgage may be insured under this section after [September 30, 1995] *September 30, 1996,* except pursuant to a commitment to insure issued on or before such date. The total number of mortgages insured under this section may not exceed [25,000] *30,000.* In no case may the benefits of insurance under this section exceed the maximum dollar amount established under section 203(b)(2) for 1-family residences in the area in which the dwelling subject to the mortgage under this section is located.

Section 8(c)(2)(A) of the United States Housing Act of 1937 is to be amended as follows:

(2)(A) The assistance contract shall provide for adjustment annually or more frequently in the maximum monthly rents for units covered by the contract to reflect changes in the fair market rentals established in the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula. However, where the maximum monthly rent, for a unit in a new construction, substantial rehabilitation, or moderate rehabilitation project, to be adjusted using an annual adjustment factor exceeds the fair market rental for an existing dwelling unit in the market area, the Secretary shall adjust the rent only to the extent that the owner demonstrates that the adjusted rent would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary. The immediately foregoing sentence shall be effective only during fiscal year 1995 *and fiscal year 1996*. For any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be substracted from the amount of the factor, except that the factor shall not be reduced to less than 1.0. The immediately foregoing sentence shall be effective only during fiscal year 1995 *and fiscal year 1996*.

Section 1316(b) of the Housing and Community Development Act of 1992 is to be amended as follows:

(b) ALLOCATION OF ANNUAL ASSESSMENT TO ENTERPRISES.—

(1) AMOUNT OF PAYMENT.—Each enterprise shall pay to the Director a proportion of the annual assessment made pursuant to subsection (a) that bears the same ratio to the total annual assessment that the total assets of each enterprise bears to the total assets of both enterprises.

⟦(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually on September 1 and March 1 of the year for which the assessment is made.⟧

(2) TIMING OF PAYMENT.—The annual assessment shall be payable semiannually for each fiscal year, on October 1st and April 1st.

(3) DEFINITION.—For the purpose of this section, the term "total assets" means, with respect to an enterprise, the sum of—

(A) on-balance-sheet assets of the enterprise, as determined in accordance with generally accepted accounting principles;

(B) the unpaid principal balance of outstanding mortgage-backed securities issued or guanateed by the enterprise that are not included in subparagraph (A); and

(C) other off-balance-sheet obligations as determined by the Director.

CHANGES IN THE APPLICATION OF EXISTING LAW

The Committee submits the following statements in compliance with clause 3, rule XXI of the House of Representatives, describing the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

Language is included in various parts of the bill to continue ongoing activities and programs where authorizations have not been enacted to date.

In some cases, the Committee has recommended appropriations which are less than the maximum amounts authorized for the various programs funded in the bill. Whether these actions constitute a change in the application of existing law is subject to interpretation, but the Committee felt that this should be mentioned.

The Committee has included limitations for official reception and representation expenses for selected agencies in the bill.

Sections 501 through 517 of title V of the bill, all of which are carried in the fiscal year 1995 Appropriations Act, are general provisions which place limitations on the use of funds in the bill and which might, under certain circumstances, be construed as changing the application of existing law. The bill also includes a new general provision (Sec. 518) which prohibits funds in the bill from being available for any program, project, or activity not in compliance with any Federal law relating to risk assessment, the protection of private property rights, and unfunded mandates.

The bill includes, in certain instances, limitations on the obligation of funds for particular functions or programs. These limitations include restrictions on the obligation of funds for administrative expenses, the use of consultants, and programmatic areas within the overall jurisdiction of a particular agency.

Language is included under the Department of Veterans Affairs, readjustment benefits, allowing the use of funds for payments arising from litigation involving the vocational training program.

Language is included under the Department of Veterans Affairs, medical care, earmarking and delaying the availability of certain equipment and land and structures funds.

Language is included under the Department of Veterans Affairs, general operating expenses, providing for the reimbursement to the Department of Defense for the costs of overseas employee mail. This language has been carried previously and permits free mailing privileges for VA personnel stationed in the Philippines. Language is included which also permits this appropriation to be used for administration of the Service Members Occupational Conversion and Training Act in 1996, allows 1995 funds earmarked for the modernization program to be available for the general purposes of the account, and prohibits funding for Stage III of the Veterans Benefits Administration's modernization program.

Language is included under the Department of Veterans Affairs, construction, major projects, establishing time limitations and reporting requirements concerning the obligation of major construction funds, limiting the use of funds, and allowing the use of funds for programs costs.

Language is included under the Department of Veterans Affairs, construction, minor projects, providing that unobligated balances of previous appropriations may be used for any project with an estimated cost of less than $3,000,000, allowing the use of funds for program costs, and making funds available for damage caused by natural disasters.

Language is included under the Department of Veterans Affairs, parking revolving fund, providing for parking operations and maintenance costs out of medical care funds.

Language is included under the Department of Veterans Affairs, administrative provisions, permitting transfers between mandatory accounts, and limiting and providing for the use of certain funds. These first six provisions have been carried in previous appropriations Acts. In addition, two new provisions (sections 107–108) have been added to create legislative savings in the bill as a partial offset for the increase provided in the medical care account. The provisions impose limits on the amount of compensation benefits certain incompetent veterans in the care of the VA may accumulate, and fund administrative expenses associated with VA life insurance programs from excess program revenues.

Language is included under the Department of Housing and Urban Development, annual contributions for assisted housing, capping expenditures for fiscal year 1996; making available to the Secretary the option of demolishing, reconfiguring, or reducing the density of certain public housing; providing that voucher assistance may be used in connection with subsequent legislation; permitting the use of unobligated carryover balances for assistance to State or local units of government, tenant and non-profit organizations; permitting the Secretary to use voucher assistance for a number of families equal to the number of units covered by certain terminated or expiring contracts; and granting authority to use assistance for the renewal of terminating or expiring section 8 subsidy contracts in connection with any subsequent federal law dealing with such terminated or expiring contracts.

Language is included under the Department of Housing and Urban Development, flexible subsidy fund, permitting the use of excess rental charges.

Language is included under the Department of Housing and Urban Development, rental housing assistance, reducing the uncommitted balances of previously provided authority by not more than $2,000,000 and providing for the rescission of up to $163,000,000 of recaptured section 236 budget authority.

Language is included under the Department of Housing and Urban Development, community development grants, limiting the expenses for "planning and management development and administrative activities."

Language is included under the Department of Housing and Urban Development, FHA general and special risk program account, regarding the sale of assigned mortgage notes.

Language is included under the Department of Housing and Urban Development, administrative provisions, suspending rent formulas, establishing minimum rents, establishing ceiling rents, changing the application of replacement rules for demolition or disposal of public housing, and allowing resubmittal of applications, all under public housing; increasing family rental payments, establishing minimum rents, establishing fair market rents, limiting administrative fees, and delaying issuance and reissuance of vouchers and certificates, all under section 8 housing; waiving preferences for housing assistance and tenant selection; merging and transferring all obligated and unobligated balances in section 8 renewals account to the annual contributions for assisted housing account; extending the Home Equity Conversion Mortgage program; cancels indebtedness of two hospital authorities; delays outlays for public housing development; changes the assessment collection dates for Office of Federal Housing Enterprise Oversight; places spending limitations on development of property insurance regulations, finalization of a real estate settlement procedures regulation, the number of assistant secretaries at the Department, the number of schedule C and non-career senior executive service employees, actions regarding enacted "English-only" laws, and lobbying activities by the Department; and clarification regarding "continiuum of care" requirements.

Language is included under the Corporation for National and Community Service, national and community service programs operating expenses, which permits termination costs in fiscal year 1996 to be provided from fiscal year 1995 funds.

Language is included under the Court of Veterans Appeals, salaries and expenses, permitting the use of funds for a pro bono program.

Language is included under the Environmental Protection Agency, environmental programs and compliance, prohibiting funds being available to the National Oceanic and Atmospheric Administration; permitting grants to Indian tribes; exempts a wastewater treatment facility from certain provisions of the Federal Water Pollution Control Act if certain provisions are met; places spending limits on implementation of various sections of the Federal Water Pollution Control Act and the Clean Air Act; permitting grants to States; places a spending limitation on development of regulations on drinking water; places a limitation on spending for issuance of regulations under various sections of the Federal Food, Drug and Cosmetics Act; places a limitation on spending for regulation of whole agricultural plants; and places a spending limitation on the use of funds for taking certain enforcement actions.

Language is included under the Environmental Protection Agency, hazardous substance superfund, limiting the availability of funds for toxicological profiles and the Agency for Toxic Substances and Disease Registry.

Language is included under the Environmental Protection Agency, water infrastructure/state revolving fund, which delays the availability of certain funds, clarifies the use of previously appropriated funds, and permits grants to states.

Language is included under the Office of Science and Technology Policy requiring reimbursement of at least one-half the cost of detailed employees.

Language is included under the Council on Environmental Quality and Office of Environmental Quality to carry out the orderly termination of the program.

Language is included under the Federal Emergency Management Agency, emergency food and shelter program, limiting administrative expenses.

Language is included under the Federal Emergency Management Agency, national flood insurance fund, limiting increases in certain fund expenses without prior notice to the Committees on Appropriations and limiting the distribution of flood insurance rate maps.

Language is included under the Federal Emergency Management Agency, administrative provision, promulgating a schedule of fees concerning the radiological emergency preparedness program.

Language is included under the General Services Administration, Consumer Information Center, limiting certain fund and administrative expenses.

Language is included under the Department of Health and Human Services, Office of Consumer Affairs, permitting the acceptance of gifts for the purpose of defraying the costs of printing, publishing, and distributing consumer information.

Language is included under the National Aeronautics and Space Administration, administrative provisions, extending the availability of construction of facilities funds, limiting the use of funds for leases or construction of contractor-funded facilities, permitting funds for contracts for various services in the next fiscal year, transferring of prior year appropriations to the appropriate new appropriation accounts, providing for the transfer of facilities to the State of Mississippi and requiring the Administrator to submit a report on the cost of space flight and research centers.

Language is included under the National Credit Union Administration, central liquidity facility, limiting new loans and administrative expenses.

Language is included under the National Science Foundation, research and related activities, providing for the use of receipts from other research facilities, and requiring under certain circumstances proportional reductions in legislative earmarkings.

Language is included under the National Science Foundation, education and human resources activities, requiring, under certain circumstances, a proportional reduction in legislative earmarkings.

Language is included under the National Science Foundation, salaries and expenses, permitting funds for contracts for various services in the next fiscal year.

Language is included under the National Science Foundation, headquarters relocation, permitting reimbursement of funds to the General Services Administration for relocation activities.

Language is included under the Selective Service System, salaries and expenses, permitting the President to exempt the agency from apportionment restrictions of the Budget and Accounting Act of 1921 and prohibiting the use of funds for activities related to the induction of individuals into the Armed Forces of the United States.

Language is included under Corporations requiring release in appropriations Acts of loans and mortgage purchase authority not otherwise required by law.

Appropriations Not Authorized by Law

Pursuant to clause 3 of rule XXI of the House of Representatives, the following lists the appropriations in the accompanying bill which are not authorized by law:

Department of Veterans Affairs:
- Construction, Major Projects
- Transitional Housing Loan Program

Department of Housing and Urban Development:
- All programs

Consumer Product Safety Commission
Environmental Protection Agency:
Research and Development (except the Clean Air Act)
Environmental Programs and Compliance (except the Clean Air Act)
Hazardous Substance Superfund (except the Hazardous Substance Superfund Trust Fund)
Water Infrastructure/State Revolving Fund
Safe Drinking Water State Revolving Fund
Office of Science and Technology Policy
Federal Emergency Management Agency:
Emergency Food and Shelter Program
Emergency Management Planning and Asistance (with respect to Federal Fire Prevention and Control Act of 1974, Defense Production Act of 1950 and the Urban Property Protection and Reinsurance Act)
General Services Administration—Consumer Information Center
Department of Health and Human Services—Office of Consumer Affairs
National Aeronautics and Space Administration
All programs
National Science Foundation
All programs
Neighborhood Reinvestment Corporation

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT

During fiscal year 1996 for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), the following information provides the definition of the term "program, project, and activity" for departments and agencies carried in the accompanying bill. The term "program, project, and activity" shall include the most specific level of budget items identified in the 1996 Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, the accompanying House and Senate reports, the conference report, or the joint explanatory statement of the managers of the committee of conference.

In applying any sequestration reductions, departments and agencies shall apply the percentage of reduction required for fiscal year 1996 pursuant to the provisions of Public Law 99–177 to each program, project, activity, and subactivity contained in the budget justification documents submitted to the Committees on Appropriations of the House and Senate in support of the fiscal year 1996 budget estimates, as amended, for such departments and agencies, as subsequently altered, modified, or changed by Congressional action identified by the aforementioned Act, resolutions and reports. Further, it is intended that in implementing the Presidential order, (1) no program, project, or activity should be eliminated, (2) no reordering of funds or priorities occur, and (3) no unfunded program, project, or activity be initiated. However, for the purposes of program execution, it is not intended that normal reprogramming between programs, projects, and activities be precluded after reductions required under the Balanced Budget and Emergency Deficit Control Act are implemented.

PERMANENT OBLIGATIONAL AUTHORITY—FEDERAL FUNDS AND TRUST FUNDS

Substantial sums of new budget (obligational) authority are made available by permanent legislation for the continuation of certain government activities not subject to the annual appropriations process. Details of these activities for the agencies covered in this bill are reflected in appropriate tables appearing at the end of this report. The most significant are the insurance and loan guaranty programs of the Department of Veterans Affairs, and the assisted housing programs of the Department of Housing and Urban Development. The budget estimates that such permanent authorities will aggregate $21,658,694,000 in fiscal year 1996.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344) requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 602(b) of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year. This information follows:

The bill provides no new spending authority as described in section 401(c)(2) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended.

[In millions of dollars]

	602(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Comparison with budget resolution:				
Discretionary	61,700	74,056	60,046	74,016
Mandatory	19,138	17,688	19,362	17,347
Total	80,838	91,744	79,408	91,363

FIVE-YEAR OUTLAY PROJECTIONS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control act of 1974 (Public Law 93–344), as amended, the following information was provided to the Committee by the Congressional Budget Office:

	(Millions)
Budget authority	$79,408
Outlays:	
1996	45,491
1997	18,568
1998	7,379
1999	2,838
2000 and beyond	3,113

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, the Congressional Budget Office has provided the following estimates of new budget authority and outlays provided by the accompanying bill for financial assistance to state and local governments:

	(Millions)
Budget Authority	$18,278
Fiscal year 1996 outlays resulting therefrom	1,710

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 1

Date: July 18, 1995.
Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.
Motion by: Mr. Lewis (CA).
Description of Motion: To provide funding for the Selective Service System, to limit funding to obtaining voluntary environmental audit reports in EPA, and to adjust other provisions relating to EPA and FEMA.
Results: Adopted 29 to 17.

Members Voting Yea

Mr. Bonilla
Mr. Bunn
Mr. Callahan
Mr. Chapman
Mr. Dickey
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Knollenberg
Mr. Kolbe
Mr. Lewis
Mr. Lightfoot
Mr. Livingston
Mr. McDade
Mr. Miller
Mr. Nethercutt
Mr. Neumann
Mr. Packard
Mr. Regula
Mr. Rogers
Mr. Skeen
Mr. Taylor
Mrs. Vucanovich
Mr. Walsh
Mr. Wicker
Mr. Wolf
Mr. Young

Members Voting Nay

Mr. Bevill
Mr. Coleman
Mr. Dixon
Mr. Durbin
Mr. Foglietta
Mr. Hefner
Ms. Kaptur
Mrs. Lowey
Mr. Murtha
Mr. Obey
Mr. Sabo
Mr. Skaggs
Mr. Stokes
Mr. Thornton
Mr. Torres
Mr. Wilson
Mr. Yates

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 2

Date: July 18, 1995.
Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.
Motion by: Mr. Stokes.
Description of Motion: To strike legislative provisions and funding limitations dealing with EPA, VA, and HUD.
Results: Rejected 18 to 30.

Members Voting Yea

Mr. Bevill
Mr. Coleman
Mr. Dixon
Mr. Durbin
Mr. Foglietta
Mr. Hoyer
Ms. Kaptur
Mrs. Lowey
Mr. Murtha
Mr. Obey
Mr. Sabo
Mr. Skaggs
Mr. Stokes
Mr. Thornton
Mr. Torres
Mr. Visclosky
Mr. Wilson
Mr. Yates

Members Voting Nay

Mr. Bonilla
Mr. Bunn
Mr. Callahan
Mr. Chapman
Mr. DeLay
Mr. Dickey
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Istook
Mr. Knollenberg
Mr. Kolbe
Mr. Lewis
Mr. Livingston
Mr. McDade
Mr. Miller
Mr. Mollohan
Mr. Nethercutt
Mr. Neumann
Mr. Packard
Mr. Porter
Mr. Regula
Mr. Riggs
Mr. Rogers
Mr. Skeen
Mr. Taylor
Mrs. Vucanovich
Mr. Walsh
Mr. Wicker
Mr. Young

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the result of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 3

Date: July 18, 1995.
Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.
Motion by: Mr. Stokes.
Description of Motion: To delete administrative provisions for public housing and section 8 programs requiring rent increases.
Results: Rejected 17 to 26.

Members Voting Yea

Mr. Bevill
Mr. Chapman
Mr. Coleman
Mr. Durbin
Mr. Hefner
Ms. Kaptur
Mrs. Lowey
Mr. Mollohan
Mr. Obey
Ms. Pelosi
Mr. Sabo
Mr. Skaggs
Mr. Stokes
Mr. Thornton
Mr. Visclosky
Mr. Wilson
Mr. Yates

Members Voting Nay

Mr. Bonilla
Mr. Bunn
Mr. Callahan
Mr. Dickey
Mr. Forbes
Mr. Frelinghuysen
Mr. Hobson
Mr. Istook
Mr. Knollenberg
Mr. Kolbe
Mr. Lewis
Mr. Livingston
Mr. McDade
Mr. Miller
Mr. Nethercutt
Mr. Neumann
Mr. Packard
Mr. Porter
Mr. Regula
Mr. Riggs
Mr. Rogers
Mr. Skeen
Mrs. Vucanovich
Mr. Walsh
Mr. Wicker
Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 4

Date: July 18, 1995.
Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.
Motion by: Mr. Stokes.
Description of Motion: To delete a funding limitation prohibiting EPA from making facilities submit certain data pursuant to the Emergency Planning and Community Right-to-Know Act or Toxic Substance Control Act.
Results: Rejected 13 to 25.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Bunn
Mr. Chapman	Mr. Callahan
Mr. Coleman	Mr. Dickey
Mr. Durbin	Mr. Forbes
Mr. Hefner	Mr. Frelinghuysen
Ms. Kaptur	Mr. Hobson
Mrs. Lowey	Mr. Istook
Mr. Mollohan	Mr. Knollenberg
Mr. Obey	Mr. Kolbe
Mr. Sabo	Mr. Lewis
Mr. Skaggs	Mr. Livingston
Mr. Stokes	Mr. McDade
Mr. Yates	Mr. Miller
	Mr. Nethercutt
	Mr. Neumann
	Mr. Packard
	Mr. Porter
	Mr. Regula
	Mr. Riggs
	Mr. Rogers
	Mr. Taylor
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Young

Full Committee Votes

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 5

Date: July 18, 1995.

Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.

Motion by: Mr. Skaggs.

Description of Motion: To delete a funding limitation prohibiting implementation or enforcement by EPA of section 404 of the Federal Water Pollution Control Act.

Result: Rejected 14 to 24.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Bunn
Mr. Coleman	Mr. Chapman
Mr. Durbin	Mr. DeLay
Mr. Hefner	Mr. Dickey
Ms. Kaptur	Mr. Forbes
Mrs. Lowey	Mr. Frelinghuysen
Mr. Mollohan	Mr. Hobson
Mr. Obey	Mr. Istook
Mr. Sabo	Mr. Knollenberg
Mr. Skaggs	Mr. Kolbe
Mr. Stokes	Mr. Lewis
Mr. Thornton	Mr. Livingston
Mr. Visclosky	Mr. Nethercutt
Mr. Wilson	Mr. Neumann
	Mr. Packard
	Mr. Regula
	Mr. Riggs
	Mr. Rogers
	Mr. Skeen
	Mr. Taylor
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 6

Date: July 18, 1995.

Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.

Motion by: Mr. Wilson.

Description of Motion: To delete two funding limitations prohibiting enforcement of regulations dealing with combustion of hazardous waste in cement kilns.

Result: Rejected 12 to 27.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Callahan
Mr. Bunn	Mr. Chapman
Mr. Coleman	Mr. Dickey
Mr. Dixon	Mr. Forbes
Ms. Kaptur	Mr. Frelinghuysen
Mrs. Lowey	Mr. Hobson
Mr. Obey	Mr. Istook
Ms. Pelosi	Mr. Kingston
Mr. Sabo	Mr. Knollenberg
Mr. Stokes	Mr. Kolbe
Mr. Visclosky	Mr. Lewis
Mr. Wilson	Mr. Livingston
	Mr. McDade
	Mr. Mollohan
	Mr. Murtha
	Mr. Nethercutt
	Mr. Nuemann
	Mr. Packard
	Mr. Porter
	Mr. Riggs
	Mr. Rogers
	Mr. Skeen
	Mr. Taylor
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 2(l)(2)(b) of rule XI of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NUMBER: 7

Date: July 18, 1995.

Measure: VA, HUD, and Independent Agencies appropriations, fiscal year 1996.

Motion by: Ms. Kaptur.

Description of Motion: To increase funding for drug elimination grants for low-income housing and to reduce funding for NASA's human space flight program.

Result: Rejected 17 to 22.

Members Voting Yea	*Members Voting Nay*
Mr. Bevill	Mr. Bunn
Mr. Chapman	Mr. Callahan
Mr. Coleman	Mr. Dickey
Mr. Dixon	Mr. Forbes
Mr. Durbin	Mr. Frelinghuysen
Ms. Kaptur	Mr. Istook
Mr. Kingston	Mr. Knollenberg
Mrs. Lowey	Mr. Kolbe
Mr. Mollohan	Mr. Lewis
Mr. Murtha	Mr. Livingston
Mr. Obey	Mr. McDade
Ms. Pelosi	Mr. Nethercutt
Mr. Riggs	Mr. Neumann
Mr. Sabo	Mr. Packard
Mr. Stokes	Mr. Porter
Mr. Visclosky	Mr. Rogers
Mr. Wilson	Mr. Skeen
	Mr. Taylor
	Mrs. Vucanovich
	Mr. Walsh
	Mr. Wicker
	Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND THE BUDGET ESTIMATES FOR 1996 — PERMANENT AUTHORITY

[These funds become available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill.]

Agency and item (1)	New budget (obligational) authority, fiscal year 1995 (2)	Budget estimates of new (obligational) authority, fiscal year 1996 (3)	Fiscal year 1996 estimate compared with, fiscal year 1995 (4)
FEDERAL FUNDS			
DEPARTMENT OF VETERANS AFFAIRS			
Veterans Health Administration:			
Medial care cost recovery fund	107,951,000	111,103,000	+3,152,000
Transitional housing loans financing account (authority to borrow)	63,000	63,000	....
Veterans Benefits Administration:			
Compensation and pensions (transfer)	700,000	....	-700,000
Guaranty and indemnity direct loan financing account	770,505,000	1,032,008,000	+261,503,000
Loan guaranty direct loan financing account	878,904,000	710,922,000	-167,982,000
Direct loan financing account	72,000	71,000	-1,000
Native American Veterans housing direct loan financing account (authority to borrow)	12,267,000	16,184,000	+3,917,000
Education direct loan financing account	3,000	3,000	....
Vocational rehabilitation direct loan financing account	2,001,000	2,058,000	+57,000
Total, Department of Veterans Affairs	1,772,466,000	1,872,412,000	+99,946,000

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Low-rent public housing-loans and other expenses (authority to borrow)	50,000,000	50,000,000	....
Annual contributions for assisted housing	15,330,754,000	15,943,587,000	+612,833,000
Homeownership assistance	828,537,000	762,182,000	-66,355,000
Manufactured home inspection and monitoring	10,544,000	10,544,000	....
Interstate land sales	550,000	550,000	....
FHA - Mutual mortgage insurance direct loan financing account (authority to borrow)	177,995,000	191,882,000	+13,887,000
FHA - Mutual mortgage insurance guaranteed loan financing account	510,000,000	381,000,000	-129,000,000
General and special risk direct loan financing account	217,550,000	112,000,000	-105,550,000
General and special risk insurance funds (authority to borrow)	93,200,000	68,100,000	-25,100,000
Housing for the elderly or handicapped fund	770,000,000	804,830,000	+34,830,000
Total, Department of Housing and Urban Development	17,989,130,000	18,324,675,000	+335,545,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND THE BUDGET ESTIMATES FOR 1996 — PERMANENT AUTHORITY—Continued

Agency and item (1)	New budget (obligational) authority, fiscal year 1995 (2)	Budget estimates of new (obligational) authority, fiscal year 1996 (3)	Fiscal year 1996 estimate compared with, fiscal year 1995 (4)
INDEPENDENT AGENCIES			
Court of Veterans Appeals: Practice registration fee	3,000	3,000	....
Federal Emergency Management Agency:			
National insurance development fund (authority to borrow)	1,619,000	1,068,000	-551,000
Disaster assistance direct loan financing account (authority to borrow)	149,743,000	22,845,000	-126,898,000
Total, Federal Funds	19,912,961,000	20,221,003,000	+308,042,000

TRUST FUNDS			
DEPARTMENT OF VETERANS AFFAIRS			
Veterans Health Administration: General post fund, national homes	29,622,000	30,326,000	+704,000
Veterans Benefits Administration:			
Post-Vietnam era veterans education account	35,700,000	27,400,000	-8,300,000
National service life insurance fund	1,370,830,000	1,335,290,000	-35,540,000
United States government life insurance fund	8,360,000	7,300,000	-1,060,000
Total, Department of Veterans Affairs	1,444,512,000	1,400,316,000	-44,196,000
INDEPENDENT AGENCIES			
American Battle Monuments Commission: Contributions	1,041,000	5,496,000	+4,455,000
Court of Veterans Appeals: Retirement fund	380,000	420,000	+40,000
Environmental Protection Agency: Miscellaneous contributed funds	10,000	10,000	
Federal Emergency Management Agency: Bequests and gifts	81,000	81,000	
National Aeronautics and Space Administration:			
Endeavor teacher fellowship trust fund	15,000	15,000	
Science, space, and technology education trust fund	1,350,000	1,350,000	
Miscellaneous trust funds	3,000	3,000	
National Science Foundation: Donations	30,000,000	30,000,000	
Total, Trust Funds	1,477,392,000	1,437,691,000	-39,701,000
Total Permanent Funds	21,390,353,000	21,658,694,000	+268,341,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	17,626,892,000	17,649,972,000	17,649,972,000	+23,080,000	
Readjustment benefits	1,286,600,000	1,345,300,000	1,345,300,000	+58,700,000	
Veterans insurance and indemnities	24,760,000	24,890,000	24,890,000	+130,000	
Guaranty and indemnity program account (indefinite)	507,095,000	504,122,000	504,122,000	-2,973,000	
Negative subsidy for guaranteed loans		-185,500,000	-185,500,000	-185,500,000	
Administrative expenses	65,226,000	78,085,000	65,226,000		-12,859,000
Loan guaranty program account (indefinite)	43,939,000	22,950,000	22,950,000	-20,989,000	
Administrative expenses	59,371,000	52,138,000	52,138,000	-7,233,000	
Direct loan program account (indefinite)	25,000	28,000	28,000	+3,000	
(Limitation on direct loans)	(1,000,000)	(300,000)	(300,000)	(-700,000)	
Administrative expenses	1,020,000	459,000	459,000	-561,000	
(Loan level)	(97,000)	(99,000)	(99,000)	(+2,000)	
Education loan fund program account	1,061	1,093	1,000	-61	-93
(Limitation on direct loans)	(4,034)	(4,120)	(4,000)	(-34)	(-120)
Administrative expenses	195,000	203,000	195,000		-8,000

Vocational rehabilitation loans program account	54,000	56,000	54,000		-2,000
(Limitation on direct loans)	(1,964,000)	(2,022,000)	(1,964,000)		(-58,000)
Administrative expenses	767,000	377,000	377,000	-390,000	
Native American Veteran Housing Loan Program Account	218,000	455,000	205,000	-13,000	-250,000
Total, Veterans Benefits Administration	19,616,163,061	19,493,536,093	19,480,417,000	-135,746,061	-13,119,093
Veterans Health Administration					
Medical care	16,214,684,000	16,961,487,000	16,713,521,000	+498,837,000	-247,966,000
Legislative offsets			-170,000,000	-170,000,000	-170,000,000
Total	16,214,684,000	16,961,487,000	16,543,521,000	+328,837,000	-417,966,000
Medical and prosthetic research	251,743,000	257,000,000	251,743,000		-5,257,000
Health professional scholarship program	10,386,000	10,386,000		-10,386,000	-10,386,000
Medical administration and miscellaneous operating expenses	69,789,000	72,262,000	63,602,000	-6,187,000	-8,660,000
Grants to the Republic of the Philippines	500,000			-500,000	
Transitional housing loan program:					
Loan program account (by transfer)	(7,000)	(7,000)	(7,000)		
Administrative expenses (by transfer)	(54,000)	(56,000)	(54,000)		(-2,000)
(Limitation on direct loans)	(70,000)	(70,000)	(70,000)		
General post fund (transfer out)	(-61,000)	(-63,000)	(-61,000)		(+2,000)
Total, Veterans Health Administration	16,547,102,000	17,301,135,000	16,858,866,000	+311,764,000	-442,269,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Departmental Administration					
General operating expenses	890,193,000	915,643,000	821,487,000	-68,706,000	-94,156,000
National Cemetery System	72,604,000	75,308,000	72,604,000	....	-2,704,000
Office of Inspector General	31,815,000	33,500,000	30,900,000	-915,000	-2,600,000
Construction, major projects	354,294,000	513,755,000	183,455,000	-170,839,000	-330,300,000
(Transfer out)	....	....	(-7,000,000)	(-7,000,000)	(-7,000,000)
Construction, minor projects	152,934,000	229,145,000	152,934,000	....	-76,211,000
Parking revolving fund	16,300,000	....	....	-16,300,000	....
(By transfer)	....	....	(7,000,000)	(+7,000,000)	(+7,000,000)
Grants for construction of state extended care facilities	47,397,000	43,740,000	47,397,000	....	+3,657,000
Grants for the construction of state veterans cemeteries	5,378,000	1,000,000	1,000,000	-4,378,000	....
Total, Departmental Administration	1,570,915,000	1,812,091,000	1,309,777,000	-261,138,000	-502,314,000
Total, title I, Department of Veterans Affairs	37,734,180,061	38,606,762,093	37,649,060,000	-85,120,061	-957,702,093
(By transfer)	(61,000)	(63,000)	(7,061,000)	(+7,000,000)	(+6,998,000)
(Limitation on direct loans)	(3,135,034)	(2,495,120)	(2,437,000)	(-698,034)	(-58,120)
Consisting of:					
Mandatory	(19,489,311,000)	(19,361,762,000)	(19,361,762,000)	(-127,549,000)	....
Discretionary	(18,244,869,061)	(19,245,000,093)	(18,287,298,000)	(+42,428,939)	(-957,702,093)

TITLE II DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Selected Housing Programs					
Housing certificates for families and individuals performance funds	....	6,509,955,000	....	....	-6,509,955,000
Public and Indian housing capital performance funds	....	4,884,000,000	....	....	-4,884,000,000
Annual contributions for assisted housing	11,083,000,000	....	10,041,589,000	-1,041,411,000	+10,041,589,000
Transfer from UDAG	(100,000,000)	....	....	(-100,000,000)	....
Severely distressed public housing	500,000,000	....	....	-500,000,000	....
Assistance for the renewal of expiring section 8 subsidy contracts	2,536,000,000	....	....	-2,536,000,000	....
Flexible subsidy fund	50,000,000	....	....	-50,000,000	....
Housing opportunities for persons with AIDS	....	186,000,000	....	....	-186,000,000
Congregate services	25,000,000	....	....	-25,000,000	....
Rental housing assistance:					
Rescission of budget authority, indefinite	-38,000,000	-35,119,000	-35,119,000	+2,881,000	....
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	....	....
Rescission of prepayment recaptures	-66,000,000	-163,000,000	-163,000,000	-97,000,000	....
Homeownership assistance	6,875,000	....	....	-6,875,000	....
Rescission of budget authority, indefinite	-184,000,000	....	....	+184,000,000	....
Public and Indian housing operation performance funds	....	3,220,000,000	....	....	-3,220,000,000
Payments for operation of low-income housing projects	2,900,000,000	....	2,500,000,000	-400,000,000	+2,500,000,000
Drug elimination grants for low-income housing	290,000,000	....	....	-290,000,000	....
Affordable housing performance funds	....	3,339,000,000	....	....	-3,339,000,000
HOME investment partnerships program	1,400,000,000	....	1,400,000,000	....	+1,400,000,000
Homeownership and opportunity for people everywhere grants (HOPE grants)	50,000,000	....	....	-50,000,000	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
National homeownership trust demonstration program	50,000,000			-50,000,000	
Youthbuild program	50,000,000			-50,000,000	
Housing counseling assistance	50,000,000		12,000,000	-38,000,000	+12,000,000
Indian housing loan guarantee fund program account	3,000,000	3,000,000	3,000,000		
(Limitation on guarantee loans)	(22,388,000)	(36,900,000)	(36,900,000)	(+14,512,000)	
Violent crime reduction program		3,000,000			-3,000,000
Total, Selected housing programs (net)	18,705,875,000	17,946,836,000	13,758,470,000	-4,947,405,000	-4,188,366,000
Homeless Assistance					
Homeless assistance fund		1,120,000,000			-1,120,000,000
Homeless assistance grants	1,120,000,000		576,000,000	-544,000,000	+576,000,000
Community Planning and Development					
Community opportunity fund		4,850,000,000			-4,850,000,000
Community opportunity performance program account		21,000,000			-21,000,000
Administrative expenses		900,000			-900,000
Community development grants	4,600,000,000		4,600,000,000		+4,600,000,000
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(2,054,000,000)		(1,000,000,000)	(-1,054,000,000)	(+1,000,000,000)
Credit subsidy			10,500,000	+10,500,000	+10,500,000
Administrative expenses			225,000	+225,000	+225,000

Policy Development and Research					
Research and technology	42,000,000	42,000,000	34,000,000	-8,000,000	-8,000,000
Fair Housing and Equal Opportunity					
Fair housing activities	33,375,000	45,000,000	30,000,000	-3,375,000	-15,000,000
Management and Administration					
Salaries and expenses	451,219,000	479,479,000	447,584,000	-3,635,000	-31,895,000
(By transfer, limitation on FHA corporate funds)	(495,355,000)	(527,782,000)	(495,355,000)		(-32,427,000)
(By transfer, GNMA)	(8,824,000)	(9,101,000)	(8,824,000)		(-277,000)
(By transfer, Community Planning and Development)		(900,000)	(225,000)	(+225,000)	(-675,000)
Total, Salaries and expenses	(955,398,000)	(1,017,262,000)	(951,988,000)	(-3,410,000)	(-65,274,000)
Office of Inspector General	36,427,000	36,968,000	36,427,000		-541,000
(By transfer, limitation on FHA corporate funds)	(10,961,000)	(11,283,000)	(10,961,000)		(-322,000)
Total, Office of Inspector General	(47,388,000)	(48,251,000)	(47,388,000)		(-863,000)
Office of federal housing enterprise oversight	15,451,000	14,895,000	14,895,000	-556,000	
Offsetting receipts	-15,451,000	-14,895,000	-14,895,000	+556,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Federal Housing Administration					
FHA - Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(100,000,000,000)	(110,000,000,000)	(110,000,000,000)	(+10,000,000,000)	....
(Limitation on direct loans)	(180,000,000)	(200,000,000)	(200,000,000)	(+20,000,000)	....
Administrative expenses	308,846,000	341,595,000	308,846,000	....	-32,749,000
Offsetting receipts	-308,846,000	-341,595,000	-308,846,000	....	+32,749,000
FHA - General and special risk program account:					
(Limitation on guaranteed loans)	(20,885,072,000)	(17,400,000,000)	(15,000,000,000)	(-5,885,072,000)	(-2,400,000,000)
(Limitation on direct loans)	(220,000,000)	(120,000,000)	(120,000,000)	(-100,000,000)	....
Administrative expenses	197,470,000	197,470,000	197,470,000	....	....
Program costs	188,395,000	188,395,000	....	-188,395,000	-188,395,000
Subsidy - multifamily	-134,096,000	-37,996,000	-37,996,000	+96,100,000	....
Subsidy - single family	-81,673,000	-27,044,000	-27,044,000	+54,629,000	....
Subsidy - Title I	-24,460,000	-23,777,000	-23,777,000	+683,000	....
Total, Federal Housing Administration	145,636,000	297,048,000	108,653,000	-36,983,000	-188,395,000
Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(142,000,000,000)	(110,000,000,000)	(110,000,000,000)	(-32,000,000,000)	....
Administrative expenses	8,824,000	9,101,000	8,824,000	....	-277,000
Offsetting receipts	-262,700,000	-508,300,000	-508,300,000	-245,600,000	....

Administrative Provisions					
Procurement savings	-3,538,000			+3,538,000	
FHA mortgage insurance limits	-3,000,000			+3,000,000	
GNMA REMICs	-180,000,000			+180,000,000	
GNMA REMICs II	-30,600,000			+30,600,000	
1-year extension of HECM's demonstration			-11,000,000	-11,000,000	-11,000,000
Non-judicial foreclosure	-10,000,000			+10,000,000	
Total, title II, Department of Housing and Urban Development (net)	24,653,518,000	24,340,032,000	19,091,383,000	-5,562,135,000	-5,248,649,000
Appropriations	(24,941,518,000)	(24,538,151,000)	(19,289,502,000)	(-5,652,016,000)	(-5,248,649,000)
Rescissions	(-288,000,000)	(-198,119,000)	(-198,119,000)	(+89,881,000)	
(Limitation on annual contract authority, indef)	(-2,000,000)	(-2,000,000)	(-2,000,000)		
(Limitation on guaranteed loans)	(264,939,072,000)	(237,400,000,000)	(236,000,000,000)	(-28,939,072,000)	(-1,400,000,000)
(Limitation on corporate funds)	(515,140,000)	(549,066,000)	(515,365,000)	(+225,000)	(-33,701,000)
Consisting of:					
Advance appropriation available	800,000,000			-800,000,000	
Appropriations available from this bill	24,653,518,000	24,340,032,000	19,091,383,000	-5,562,135,000	-5,248,649,000
Total, title II	25,453,518,000	24,340,032,000	19,091,383,000	-6,362,135,000	-5,248,649,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	20,265,000	20,265,000	20,265,000		
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	500,000			-500,000	
Community Development Financial Institutions					
Community development financial institutions fund program account	125,000,000	123,650,000		-125,000,000	-123,650,000
Loan subsidy		20,000,000			-20,000,000
Office of Inspector General		350,000			-350,000
Consumer Product Safety Commission					
Salaries and expenses	42,509,000	44,000,000	40,000,000	-2,509,000	-4,000,000
Corporation for National and Community Service					
National and community service programs operating expenses	575,000,000	817,476,000		-575,000,000	-817,476,000
Office of Inspector General	2,000,000	2,000,000		-2,000,000	-2,000,000
Total	577,000,000	819,476,000		-577,000,000	-819,476,000

Court of Veterans Appeals					
Salaries and expenses	9,429,000	9,820,000	9,000,000	-429,000	-820,000
Department of Defense - Civil					
Cemeterial Expenses, Army					
Salaries and expenses	12,017,000	14,134,000	11,296,000	-721,000	-2,838,000
Environmental Protection Agency					
Research and development	350,000,000	426,661,000	384,052,000	+34,052,000	-42,609,000
Environmental programs and compliance	....	....	1,881,614,000	+1,881,614,000	+1,881,614,000
Abatement, control, and compliance	1,417,000,000	1,748,823,000	....	-1,417,000,000	-1,748,823,000
(Limitation on administrative expenses)	(296,722,500)	....	....	(-296,722,500)	....
Program and research operations	922,000,000	1,017,298,000	....	-922,000,000	-1,017,298,000
Office of Inspector General	28,542,000	33,050,000	28,542,000	....	-4,508,000
Transfer from Hazardous Substance Superfund	15,384,000	14,078,000	5,000,000	-10,384,000	-9,078,000
Transfer from Leaking Underground Storage Tanks	669,000	710,000	426,000	-243,000	-284,000
Subtotal, OIG	44,595,000	47,838,000	33,968,000	-10,627,000	-13,870,000
Buildings and facilities	43,870,000	112,820,000	28,820,000	-15,050,000	-84,000,000
Hazardous substance superfund	1,435,000,000	1,507,937,000	1,003,400,000	-431,600,000	-504,537,000
Legislative proposals - reforms	....	55,000,000	....	....	-55,000,000
Transfer to OIG	-15,384,000	-14,078,000	-5,000,000	+10,384,000	+9,078,000
(Limitation on administrative expenses)	(308,000,000)	....	....	(-308,000,000)	....
Subtotal, Hazardous substance superfund	1,419,616,000	1,548,859,000	998,400,000	-421,216,000	-550,459,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
Leaking underground storage tank trust fund	70,000,000	77,273,000	45,827,000	-24,173,000	-31,446,000
Transfer to OIG	-669,000	-710,000	-426,000	+243,000	+284,000
(Limitation on administrative expenses)	(8,150,000)		(5,285,000)	(-2,865,000)	(+5,285,000)
Subtotal, LUST	69,331,000	76,563,000	45,401,000	-23,930,000	-31,162,000
Oil spill response	20,000,000	23,047,000	20,000,000		-3,047,000
(Limitation on administrative expenses)	(8,420,000)		(8,420,000)		(+8,420,000)
Water infrastructure / State revolving fund	2,262,000,000	1,865,000,000	1,500,175,000	-761,825,000	-364,825,000
Safe drinking water State revolving fund	700,000,000	500,000,000		-700,000,000	-500,000,000
Environmental services - user fees		-7,500,000			+7,500,000
Procurement savings	-7,525,000			+7,525,000	
Total, EPA	7,240,887,000	7,359,409,000	4,892,430,000	-2,348,457,000	-2,466,979,000
Executive Office of the President					
Office of Science and Technology Policy	4,981,000	4,981,000	4,981,000		
Council on Environmental Quality and Office of Environmental Quality	997,000	2,188,000	1,000,000	+3,000	-1,188,000
Total	5,978,000	7,169,000	5,981,000	+3,000	-1,188,000

Federal Emergency Management Agency					
Disaster relief	320,000,000	320,000,000	320,000,000	....	....
Disaster assistance direct loan program account:					
State share loan	2,418,000	2,155,000	2,155,000	-263,000	....
(Limitation on direct loans)	(175,000,000)	(25,000,000)	(25,000,000)	(-150,000,000)	....
Administrative expenses	95,000	95,000	95,000	....	....
Salaries and expenses	162,000,000	169,409,000	162,000,000	....	-7,409,000
Office of Inspector General	4,400,000	4,673,000	4,400,000	....	-273,000
Emergency management planning and assistance	215,960,000	203,044,000	203,044,000	-12,916,000	....
Emergency food and shelter program	130,000,000	130,000,000	100,000,000	-30,000,000	-30,000,000
Administrative provision REP savings	-11,525,000	-12,257,000	-12,257,000	-732,000	....
Procurement savings	-1,441,000	....	....	+1,441,000	....
National Flood Insurance:					
Salaries and expenses	....	(20,562,000)	(20,562,000)	(+20,562,000)	....
Flood mitigation	....	(70,464,000)	(70,464,000)	(+70,464,000)	....
Premium increase	....	-21,000,000	....	....	+21,000,000
Total, Federal Emergency Management Agency	821,907,000	796,119,000	779,437,000	-42,470,000	-16,682,000
General Services Administration					
Consumer Information Center	2,004,000	2,061,000	2,061,000	+57,000	....
(Limitation on administrative expenses)	(2,454,000)	(2,502,000)	(2,502,000)	(+48,000)	....
Department of Health and Human Services					
Office of Consumer Affairs	2,166,000	1,811,000	1,811,000	-355,000	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
National Aeronautics and Space Administration					
Human space flight	5,514,897,000	5,509,600,000	5,449,600,000	-65,297,000	-60,000,000
Science, aeronautics and technology	5,901,200,000	6,006,900,000	5,588,000,000	-313,200,000	-418,900,000
Rescission	-10,000,000			+10,000,000	
National aeronautical facilities	400,000,000			-400,000,000	
Mission support	2,554,587,000	2,726,200,000	2,618,200,000	+63,613,000	-108,000,000
Office of Inspector General	16,000,000	17,300,000	16,000,000		-1,300,000
Total, NASA (net)	14,376,684,000	14,260,000,000	13,671,800,000	-704,884,000	-588,200,000
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)		
(Limitation on admin expenses, corporate funds)	(901,000)	(560,000)	(560,000)	(-341,000)	

National Science Foundation					
Research and related activities	2,280,000,000	2,454,000,000	2,254,000,000	-26,000,000	-200,000,000
Rescission	-35,000,000			+35,000,000	
Major research equipment	126,000,000	70,000,000	70,000,000	-56,000,000	
Academic research infrastructure	250,000,000	100,000,000	100,000,000	-150,000,000	
Education and human resources	605,974,000	599,000,000	599,000,000	-6,974,000	
Salaries and expenses	123,966,000	127,310,000	127,310,000	+3,344,000	
Office of Inspector General	4,380,000	4,490,000	4,490,000	+110,000	
National Science Foundation headquarters relocation	5,200,000	5,200,000	5,200,000		
Total, NSF (net)	3,360,520,000	3,360,000,000	3,160,000,000	-200,520,000	-200,000,000
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	38,667,000	55,000,000	38,667,000		-16,333,000
Selective Service System					
Salaries and expenses	22,930,000	23,304,000	22,930,000		-374,000
Total, title III, Independent agencies (net)	26,658,463,000	26,916,568,000	22,655,678,000	-4,002,785,000	-4,260,890,000
Appropriations	(26,710,988,000)	(26,916,568,000)	(22,655,678,000)	(-4,055,310,000)	(-4,260,890,000)
Rescissions	(-45,000,000)			(+45,000,000)	
(Limitation on administrative expenses)	(623,746,500)	(2,502,000)	(16,207,000)	(-607,539,500)	(+13,705,000)
(Limitation on direct loans)	(775,000,000)	(716,026,000)	(716,026,000)	(-58,974,000)	
(Limitation on corporate funds)	(901,000)	(560,000)	(560,000)	(-341,000)	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1995 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1996—Continued

Agency and item (1)	Appropriated, 1995 (enacted to date) (2)	Budget estimates, 1996 (3)	Recommended in bill (4)	Bill compared with appropriated, 1995 (5)	Bill compared with budget estimates, 1996 (6)
TITLE IV					
CORPORATIONS					
Federal Deposit Insurance Corporation:					
FSLIC Resolution Fund	827,000,000			-827,000,000	
FDIC affordable housing program	15,000,000	15,000,000		-15,000,000	-15,000,000
Total	842,000,000	15,000,000		-842,000,000	-15,000,000
Resolution Trust Corporation: Office of Inspector General	32,000,000	11,400,000	11,400,000	-20,600,000	
Total, title IV, Corporations	874,000,000	26,400,000	11,400,000	-862,600,000	-15,000,000
Grand total (net)	89,920,161,061	89,889,762,093	79,407,521,000	-10,512,640,061	-10,482,241,093
Appropriations	(90,260,686,061)	(90,087,881,093)	(79,605,640,000)	(-10,655,046,061)	(-10,482,241,093)
Rescissions	(-333,000,000)	(-198,119,000)	(-198,119,000)	(+134,881,000)	
(By transfer)	(100,061,000)	(63,000)	(7,061,000)	(-93,000,000)	(+6,998,000)
(Limitation on administrative expenses)	(623,746,500)	(2,502,000)	(16,207,000)	(-607,539,500)	(+13,705,000)
(Limitation on annual contract authority, indef)	(-2,000,000)	(-2,000,000)	(-2,000,000)		
(Limitation on direct loans)	(1,200,523,034)	(1,075,421,120)	(1,075,363,000)	(-125,160,034)	(-58,120)
(Limitation on guaranteed loans)	(264,939,072,000)	(237,400,000,000)	(236,000,000,000)	(-28,939,072,000)	(-1,400,000,000)
(Limitation on corporate funds)	(516,041,000)	(549,626,000)	(515,925,000)	(-116,000)	(-33,701,000)

Scorekeeping adjustments	448,246,000	....	....	-448,24,000	....
Total mandatory and discretionary	90,368,407,061	89,889,762,093	79,407,521,000	-10,960,886,061	-10,482,241,093
Mandatory	20,316,311,000	19,361,762,000	19,361,762,000	-954,549,000	....
Discretionary:					
Crime trust fund	....	3,000,000	....	....	-3,000,000
General purposes:					
Defense (Function 050)	222,488,000	153,935,000	151,636,000	-70,852,000	-2,299,000
Nondefense discretionary	69,829,608,061	70,371,065,093	59,894,123,000	-9,935,485,061	-10,476,942,093
Total, General purposes	70,052,096,061	70,525,000,093	60,045,759,000	-10,006,337,061	-10,479,241,093
Total, Discretionary	70,052,096,061	70,528,000,093	60,045,759,000	-10,006,337,061	-10,482,241,093

ADDITIONAL VIEWS OF DAVID OBEY

Much of the scientific spending in this bill and an even larger portion of science funded in the Labor Health and Human Services bill is allocated on the basis of a system we call Investigator Initiated Research. What that means is that scientists which wish to do research describe in detail what experiments they would perform and other scientists evaluate the proposed experiments. Only the most highly rated proposals are ever funded. What this system produces is a distribution of our funds to research which presents the best opportunity to expand man's knowledge based on a cross section of the best scientific expertise in the country.

By contrast, with NASA's Space Station program we are talking about Politician Initiated Research. I am not one to denigrate politicians. This is not just an honorable profession but it is a critical one. But we are most useful when we restrain ourselves to matters within our realm of expertise and what we are being asked to do today is approve a project that was concocted by politicians, like ourselves who have no real ability to identify the kind of experimentation that is likely to push forward the horizons of science.

Essentially what we are talking about is a public works demonstration project which involves very little in the way of true experimentation but which carries an enormous price tag. It will cost, according to GAO, $94 billion before it is completed in 2012—about $75 billion of which we have yet to Appropriate. That will average nearly $4 billion a year—more than this years entire budget for NSF, nearly the amount of the entire space sciences budget of NASA and about twice what we will spend on Cancer Research this year.

If we are going to direct that resources of that magnitude be directed at a scientific project that we rather than the scientific community choose, we had better get it right. But if you look at the plans what you find is that we are spending tremendous sums to repeatedly perform functions which we are already fully capable of performing. For instance, station will require 73 shuttle flights simply to carry the tons of materials into space and the workers who will assemble those materials. What we are talking about a thousand hours of the extraordinarily expensive extra vehicular activities which is not likely to produce information very different from the space walks we have already conducted.

What we will be proceeding with if these funds are appropriated is basically nothing more than a large scale construction project. It would represent an extraordinary engineering feat. It would generate a large number of jobs. But what would we learn? And even more importantly—what opportunities for other knowledge would we be forced to give up?

As every member of this committee should be painfully aware, we cannot fund very much activity of this type in the coming years.

A large portion of the research opportunities that would have been funded in less austere period are going to be crowded out in this budget and even more good research will fall victim next year. We cannot afford to let an effort which contains so little scientific merit and costs such an enormous sum of money move forward given the eventual tradeoffs such a decision will force us to make with respect to other scientific and human needs.

DAVE OBEY.

DISSENTING VIEWS OF HON. LOUIS STOKES, HON. DAVID OBEY, HON. NORMAN DICKS, HON. MARTIN SABO, HON. JULIAN DIXON, HON. VIC FAZIO, HON. W.G. (BILL) HEFNER, HON. MARCY KAPTUR, HON. DAVID SKAGGS, HON. NANCY PELOSI, HON. PETER VISCLOSKY, HON. ESTEBAN TORRES, AND HON. NITA LOWEY

We, the undersigned, vehemently and unequivocally dissent from the proposed Fiscal Year 1996 Appropriations Bill for the Department of Veterans Affairs, the Department of Housing and Urban Development and Independent Agencies. This bill as proposed is a callous and dangerous action, for it launches a wholesale assault on critical veterans, housing and environmental programs. The reductions in the bill are severe and reason enough by themselves for not supporting this legislation. What is even worse is that the cuts are being made in part to finance a tax break for the most wealthy.

The programs in this bill provide assistance and benefits helping millions of Americans achieve a better life. Included are medical care and benefits for our nation's veterans, affordable and decent housing for families and individuals of all incomes and circumstances, stable and viable communities, a safe and clean environment, and investments in technology and science. The impact of the proposed Fiscal Year 1996 Appropriations Bill would clearly erode our efforts in these areas. As was the case in an earlier rescission bill, the Committee goes too far against those with the very least—the poorest, the most vulnerable, the most needy.

The bill makes a mockery of the legislative process by including extensive and damaging legislation that completely transforms the way in which our nation addresses veterans, housing and environmental policy. The legislation and limitations in this bill have far reaching implications. These provisions have no place in an appropriations bill as they are under the purview of the legislative committees which have proper jurisdiction and expertise. We should allow that process to go forward and not use this ill-advised back door process to make dramatic and consequential policy changes.

While there is agreement about the need for some level of well-thought out reform of various federal programs, the appropriations bill is not the place to enact major policy without the benefit of extensive hearings or public debate by the authorizing committee. Chairmen and Ranking Members of numerous authorizing committees and subcommittees have expressed opposition to the legislation in this bill. Clearly, these actions could have a chilling impact on the legislative process.

With regard to veterans, this bill reduces by nearly $1 billion the level of spending that the President has requested for veterans including medical care, general expenses, and construction projects. These cuts seem especially callous. Certainly, individuals who have given the ultimate sacrifice and risked their lives for our collective safety and well being deserve to have the full level of security for themselves and their families to live out the rest of their lives.

The bill cuts by nearly $250 million veterans medical care. This is the equivalent of losing over 3,000 full time employees and would result in treating the equivalent of 55,000 fewer unique patients. This cut is the equivalent of the budgets of two 300 bed VA medical centers. The VA medical program has only increased by a fraction of the growth experienced in the private sector and health entitlement programs in recent years. It is unreasonable to further constrain the VA's ability to meet the increasing demand for health care services, particularly with an aging veterans population. The Committee's recommendations also propose to eliminate funding for the health professions scholarship program that helps VA hire and keep high quality health care professionals. The additional reductions to construction projects would jeopardize the building of critical new hospital facilities. These cuts are senseless and contemptuous.

Reductions to the general operating expenses account for the Department of Veterans Affairs fall primarily upon the vocational rehabilitation counselling division and the veterans services division. These offices are the first line of support veterans receive when they approach the VA by phone or personally. Reductions will undoubtedly result in the slow strangulation of services veterans will get. At a time when the Department has begun to improve the problem of benefit delays, the Republicans cut personnel. Thus, veterans can expect to have phone calls go unanswered and be unable to inquire about benefits.

Inclusion of authorizing legislation in this bill cuts benefits to certain veterans, who have been deemed incompetent and unable to handle their own matters. This proposal would cut off compensation for veterans with an estate of more than $25,000 until he or she has spent-down the estate to $10,000. Once that estate has built back up to $25,000, the veteran would again have benefits decreased. This is a cold disregard to single out our nation's veterans merely because they are found to be incompetent. Benefits could be suspended for as long as three to four years. Such actions degrade all principles of fairness.

As with the rescissions bill, housing programs are targeted for massive reductions in funding. This bill cuts HUD's budget by $5.5 billion. Hardest hit are those programs that provide affordable and decent housing for the elderly and poor. The severity of the reductions and of the extensive legislation recommended is tantamount to repealing the statutory goal of decent, safe and sanitary housing for all Americans.

Among the programs severely cut are public housing operating subsidies by $400 million and modernization funds by $1.2 billion. Close to 40% of the public housing units in the country are occupied by the elderly—often single and disabled women. More than one million children also live in public housing units. These cuts will mean that housing authorities will have unmet maintenance needs, lessened security, fewer supportive services, personnel layoffs, and more.

Unfortunately, the reductions to HUD do not stop here. Funding for severely distressed public housing and development are completely eliminated, as well as new housing vouchers and certificates for the poor. Beyond the reductions to public housing are the 50% cuts to the homeless assistance grants program, and the new combined special needs account of Section 202 housing for the elderly, Section 811 housing for the disabled and housing for persons with HIV/AIDS. The homeless are also targeted by the cuts in the FEMA Emergency Food and Shelter Program.

While these funding reductions have adverse consequences in and of themselves, this bill contains some very troubling and cruel legislation. Rents are raised for the poorest individuals in this country. All Section 8 certificate and voucher holders, and most public housing residents, will be forced to pay more for rent. These provisions make up the inevitable deficits resulting from the cuts to operating subsidies. Minimum rents are set, causing at least 600,000 families in public and section 8 assisted housing to experience rent increases. This includes 250,000 families with children, 22,500 elderly families, and 14,500 disabled families. The combination of rent increases, cuts to public housing, and incremental assistance pose serious hardships to the most vulnerable and poorest tenants.

The Committee's assault on the Environmental Protection Agency would set back this nation's efforts to ensure that each American shall breathe clean air, drink clean water and be safe from hazardous waste dangers. This measure not only slashes EPA's implementation and enforcement budgets but adds legislative riders which further these pernicious actions.

Special exemptions are among the most egregious of the riders. Concerning clean air, EPA is prohibited from issuing or enforcing a toxic emissions standard for the refinery industry. Another exemption is for EPA's rules on the prevention of accidental releases of hazardous substances. EPA is also prevented from holding cement kilns that burn hazardous waste to the same emissions standards as other hazardous waste incinerators. The Agency is barred from promulgating, implementing or enforcing a Title V operating permit program which is vital for implementing other parts of the Clean Air Act such as the air toxics, acid rain and nonattainment programs. The Committee suspends EPA's ability to give a state less than full credit for an inspection and maintenance program that does not meet the "enhanced" criteria, thus allowing states to implement substandard programs and still receive the same emissions credit as states that have passed more rigorous programs.

Public health is jeopardized further by limitations imposed on the use of funds regarding the Clean Water Act. EPA is prohibited from stopping raw sewage overflows of combined sewers even though these overflows cause beach closures and prevent the harvesting and consumption of shellfish. EPA cannot address the serious issue of stormwater pollution, both municipal and industrial, even though it often represents a major pollution problem in urban areas. The Agency is prohibited from taking action to implement or enforce the wetlands program, which would allow illegal activities to proceed unabated, regardless of the impacts on adjoining property owners. States will incur enormous costs attempting to fill the void imposed by prohibitions on revising or issuing effluent limitations guidelines and standards, pretreatment standards or new source performance standards notwithstanding the need of industry, states and localities for updates of existing standards.

The Superfund budget cuts will harm the thousands of citizens living near Superfund sites as well as the hundreds of companies who are cleaning up sites and who are seeking to benefit from EPA's fairness initiatives and from resolving expeditiously their cleanup liabilities. The elimination of the Council on Environmental Quality is another extreme action to halt our efforts to protect the public health.

The Committee's assault is not limited to VA, HUD and EPA. The Corporation for National and Community Service and the Community Development Financial Institutions programs are also eliminated. These are just other examples of the misguided and detrimental recommendations in this bill.

We believe many of the funding reductions and limitations recommended by the Committee, especially those that are targeted to our veterans, our elderly, our children and the most needy and poor among us—are ill-advised and mean spirited. We will not accept these penny wise and pound foolish actions by the Committee and will work to rectify the extreme positions taken in this bill.

LOUIS STOKES.
DAVID E. SKAGGS.
PETER J. VISCLOSKY.
MARCY KAPTUR.
MARTIN O. SABO.
JULIAN C. DIXON.
NITA LOWEY.
DAVE OBEY.
W.G. (BILL) HEFNER.
NORM DICKS.
VIC FAZIO.
ESTEBAN E. TORRES.
NANCY PELOSI.

SEPARATE VIEWS OF REPRESENTATIVE DAVID E. SKAGGS

As reported, this bill represents an abuse of the legislative process, including the rule against legislating on appropriations bills. If enacted in its present form it will threaten the quality of America's air and water, the safety of America's food supply, and the health of all Americans.

During the Committee's consideration of the bill, I joined in an effort to remove the numerous provisions intended to cripple the ability of the Environmental Protection Agency to perform its duties. Unfortunately, that effort was unsuccessful, as was my own effort to amend the bill by removing language that prohibits protection of wetlands.

I recognize that there is considerable controversy and debate about wetlands protection—which lands should be counted as wetlands, and what level of protection they should receive. But I don't think there is any serious support for the idea that *no* wetlands should receive any protection. Yet that is what will happen if the language I sought to strike remains in the bill and becomes law.

When I sought an explanation for this inclusion of this restriction, I was told that the language is intended to send a signal to the Senate about this subject and about legislation to amend the Clean Water Act.

But inclusion of the language also sends a message to the American people. By including this language, the Committee's majority is saying that it is ready to sacrifice all protection of wetlands just to try to score some political point, and ready to abuse the legislative process in an attempt to influence debate on authorizing legislation.

Unless this and other offensive and improper provisions are removed, and the bill is otherwise improved, I cannot support its passage by the House.

DAVID E. SKAGGS.

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