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SENATE

{ REPORT
{ 105-216

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING
AND URBAN DEVELOPMENT, AND INDEPENDENT AGEN-
CIES APPROPRIATIONS BILL, 1999

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JUNE 12, 1998.—Ordered to be printed
—————

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

REPORT

[To accompany S. 2168]

The Committee on Appropriations reports the bill (S. 2168) mak-
ing appropriations for the Departments of Veterans Affairs and
Housing and Urban Development, and for sundry independent
agencies, boards, commissions, corporations, and offices for the fis-
cal year ending September 30, 1999, and for other purposes, re-
ports favorably thereon and recommends that the bill do pass.

Amount of new budget (obligational) authority

Amount of bill as reported to Senate	\$93,331,942,030
Amount of appropriations to date, 1998	88,392,163,000
Amount of budget estimates, 1999	94,081,470,705
Under estimates for 1999	749,528,675
Above appropriations for 1998	4,939,779,030

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INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 1999 provides a total of \$93,331,942,030 including approximately \$23,000,000,000 in mandatory spending. The subcommittee allocation was approximately \$750,000,000 below the President's request in budget authority. In addition, there were some significant shortfalls in the President's budget which the Committee was forced to restore. The Committee did its best to meet important priorities within the bill, with the highest priority given to veterans programs and elderly housing. Other priorities included maintaining environmental programs at or above current year levels, ensuring adequate funds for our Nation's space and scientific research programs, and providing adequate funding for disaster relief. The subcommittee also met the commitment to provide the necessary funding to cover all expiring section 8 contracts.

As recommended by the Committee, this bill attempts to provide a fair and balanced approach to the many competing programs and activities under the VA-HUD subcommittee's jurisdiction, within the constraints imposed by a very tight budget allocation, including constraints dictated by the budget agreement designed to result in a unified Federal budget in fiscal year 2002.

The Committee recommendation provides \$19,180,265,000 in discretionary funding for the Department of Veterans Affairs, an increase of \$270,193,000 above the enacted level and \$372,623,000 above the budget request. The Committee has made veterans programs the highest priority in the bill. Increases in VA programs include \$222,025,000 above the budget request for medical care, \$10,000,000 above the request for research, \$53,000,000 above the request for the State home program, and \$79,300,000 above the request for other construction programs.

For the Department of Housing and Urban Development, the Committee recommendation totals \$24,102,118,030, an increase of \$2,657,553,030 over the fiscal year 1998 level. The Committee has provided fair funding for all HUD programs while providing the needed funding for all expiring section 8 contracts. In addition, the Committee fulfilled a commitment made to the elderly by more than fully funding the section 202 elderly housing program at \$676,000,000, an increase of \$31,000,000 over the fiscal year 1998 level and an increase of \$576,000,000 over the President's request of \$109,000,000.

In addition, at the direction of the Senate and House VA, HUD, and Independent Agencies Appropriations Subcommittees, GAO conducted a budget scrub of the HUD section 8 accounts. Based on the GAO budget scrub and after discussions with HUD, the Committee determined that the budget request for section 8 contract amendments for fiscal year 1999 is unnecessary, thus saving some

\$1,300,000,000, resulting in a HUD budget which is greater than the President's request for HUD. Further, based on the GAO analysis, the Committee rescinded \$1,400,000,000 in excess of section 8 project-based assistance.

For the Environmental Protection Agency, the Committee recommendation totals \$7,413,062,000, an increase of \$50,016,000 over the enacted level and a decrease of \$382,213,000 below the budget request. The Committee has made a priority of environmental programs, as all EPA programs have been funded at or above the enacted level. Major changes from the President's request include an increase of \$350,000,000 for State revolving funds and a decrease of \$600,000,000 below the request for Superfund owing to the many concerns with this program and its lack of authorization. Despite significant budget constraints, the Committee recommends a total of \$123,000,000 for the clean water action plan, approximately 80 percent of the President's request for this new initiative. The Committee strongly supports activities associated with controlling nonpoint sources of water pollution and supports the clean water action plan emphasis on a watershed approach and interagency coordination.

The Committee recommendation includes \$1,354,195,000 for the Federal Emergency Management Agency, including \$846,000,000 for disaster relief. The amount provided for disaster relief is less than the full amount requested, but is sufficient to meet anticipated fiscal year 1999 obligations. Most other FEMA programs are held at current year levels.

The Committee recommendation for the National Aeronautics and Space Administration totals \$13,615,000,000. This amount is \$150,000,000 above the President's request. The Committee has recommended an additional \$50,000,000 for space science activities, \$25,000,000 for Earth science activities, \$30,000,000 for academic programs, \$15,000,000 for mission support, and \$30,000,000 for the international space station. The Committee continues to be troubled by the escalating cost pressure from the international space station and the effect it has on other NASA activities, particularly science and aeronautics activities. Accordingly, the Committee recommendation includes a restructuring of NASA's appropriation accounts to ensure greater accountability of the international space station program and to protect other vital NASA programs.

For the National Science Foundation, the Committee recommendation totals \$3,644,150,000, an increase of \$215,150,000 above the 1998 level. The Committee views NSF as an investment in the future and this funding is intended to reaffirm the strong and longstanding support of this Committee to scientific research and education.

REPROGRAMMING AND INITIATION OF NEW PROGRAMS

The Committee continues to have a particular interest in being informed of reprogrammings which, although they may not change either the total amount available in an account or any of the purposes for which the appropriation is legally available, represent a significant departure from budget plans presented to the Committee in an agency's budget justifications.

Consequently, the Committee directs the Departments of Veterans Affairs and Housing and Urban Development, and the agencies funded through this bill, to notify the chairman of the Committee prior to each reprogramming of funds in excess of \$250,000 between programs, activities, or elements unless an alternate amount for the agency or department in question is specified elsewhere in this report. The Committee desires to be notified of reprogramming actions which involve less than the above-mentioned amounts if such actions would have the effect of changing an agency's funding requirements in future years or if programs or projects specifically cited in the Committee's reports are affected. Finally, the Committee wishes to be consulted regarding reorganizations of offices, programs, and activities prior to the planned implementation of such reorganizations.

The Committee also expects that the Departments of Veterans Affairs and Housing and Urban Development, as well as the Corporation for National and Community Service, the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, the National Science Foundation, and the Consumer Product Safety Commission, will submit operating plans, signed by the respective secretary, administrator, or agency head, for the Committee's approval within 30 days of the bill's enactment. Other agencies within the bill should continue to submit them consistent with prior year policy.

GOVERNMENT PERFORMANCE AND RESULTS ACT

The Committee remains very concerned regarding the compliance of the major agencies within the jurisdiction of the Appropriations Subcommittee on VA, HUD, and Independent Agencies with regard to the Government Performance and Results Act [GPRA]. While each agency has made some effort toward compliance with GPRA, each has provided only a partial picture of its intended performance across the agency as opposed to actual performance. Each agency must do better at providing objective, measurable goals for all program activities and projects, and each budget justification must tie these goals into a coherent set of funding requests.

YEAR 2000 COMPUTER PROBLEM

The Committee recognizes that the year 2000 computer problem poses a tremendous burden and challenge to the Federal Government as well as all other aspects of public and private activity. The Committee, therefore, directs all Federal agencies and departments, in addition to all existing requirements, to include in each operating plan for each agency and Department under the VA, HUD, and Independent Agencies Appropriations Subcommittee a plan for addressing the year 2000 computer problem. This plan must include a status report of the year 2000 computer problem for each agency, a schedule for addressing the problem, an identification of all anticipated costs and where these costs are to be paid from, and a review of the impact on all the activities and programs of the agency. No operating plan will be approved without this plan.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Appropriations, 1998	\$40,976,799,000
Budget estimate, 1999	42,149,737,000
Committee recommendation	42,522,360,000

GENERAL DESCRIPTION

The Veterans Administration was established as an independent agency by Executive Order 5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate Federal agencies especially created for or concerned with the administration of laws providing benefits to veterans, including the Veterans' Bureau, the Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers. On March 15, 1989, VA was elevated to Cabinet-level status as the Department of Veterans Affairs.

The VA's mission is to serve America's veterans and their families as their principal advocate in ensuring that they receive the care, support, and recognition they have earned in service to the Nation. The VA's operating units include the Veterans Health Administration, Veterans Benefits Administration, National Cemetery System, and staff offices.

The Veterans Health Administration develops, maintains, and operates a national health care delivery system for eligible veterans; carries out a program of education and training of health care personnel; carries out a program of medical research and development; and furnishes health services to members of the Armed Forces during periods of war or national emergency. A system of 172 medical centers, 673 outpatient clinics, 134 nursing homes, and 40 domiciliaries is maintained to meet the VA's medical mission.

The Veterans Benefits Administration provides an integrated program of nonmedical veteran benefits. This Administration administers a broad range of benefits to veterans and other eligible beneficiaries through 58 regional offices and the records processing center in St. Louis, MO. The benefits provided include: compensation for service-connected disabilities; pensions for wartime, needy, and totally disabled veterans; vocational rehabilitation assistance; educational and training assistance; home buying assistance; estate protection services for veterans under legal disability; information and assistance through personalized contacts; and six life insurance programs.

The National Cemetery System provides for the interment in any national cemetery with available grave space the remains of eligible deceased servicepersons and discharged veterans; permanently maintains these graves; marks graves of eligible persons in national and private cemeteries; and administers the grant program for aid to States in establishing, expanding, or improving State vet-

erans' cemeteries. The National Cemetery System includes 149 cemeterial installations and activities.

Other VA offices, including the general counsel, inspector general, Boards of Contract Appeals and Veterans Appeals, and the general administration, support the Secretary, Deputy Secretary, Under Secretary for Health, Under Secretary for Benefits, and the Director of the National Cemetery System.

COMMITTEE RECOMMENDATION

The Committee recommends \$42,522,360,000 for the Department of Veterans Affairs, including \$23,342,095,000 in mandatory spending and \$19,180,265,000 in discretionary spending. The amount provided for discretionary activities represents an increase of \$372,623,000 above the budget request and \$270,193,000 above the enacted level.

The Committee's recommendation includes a number of important increases, principally \$222,025,000 above the President's request for medical care, \$53,000,000 above the request for the State Home Construction Grant Program, and \$79,300,000 for the major and minor construction programs. In addition, the Committee recommendation includes an increase of \$10,000,000 above the request for VA research. The Committee strongly believes providing high-quality health care services and other benefits to our Nation's veterans is the highest priority in this legislation. Therefore, significant increases have been recommended notwithstanding budgetary constraints imposed by the subcommittee allocation.

The Committee is pleased with the progress within the Veterans Health Administration in reorganizing, improving quality of health care and cost effectiveness, and becoming more veteran focused. While additional improvements are needed in such areas as cost recovery, the Committee acknowledges the significant progress which has been accomplished over the past few years within VHA. On the benefits side, however, much work remains to be accomplished to improve service delivery to veterans. The Committee intends to monitor closely the Veterans Benefits Administration's actions to improve quality and timeliness of decisionmaking and customer satisfaction, through such initiatives as field office restructuring, business process reengineering, information technology activities, and ensuring management is held accountable for performance.

The Committee notes VA generally complied with requirements of the Government Performance and Results Act in its first submission of a performance plan. The Committee is pleased that the Veterans Health Administration has over the past several years reoriented its activities with a focus on outcomes, including the use of performance agreements with network directors and the use of results-oriented measures to assess progress. VHA offers a strong model for Departmentwide GPRA efforts.

VA still has much to do, however, in developing results-oriented performance measures, mainly in the nonmedical benefits area. GAO has noted several challenges VA faces as it refines its annual performance plan in future years, including improving the linkage between VA's performance goals and measures and the program activities in VA's budget accounts and improving VA's ability to obtain valid and reliable performance and cost data needed to meas-

ure VA's progress in achieving performance goals, through improvements in VA's financial and information systems. The Committee expects to monitor closely VA's progress in these areas, and anticipates that GPRA implementation will result in meaningful improvements to VA's service to veterans.

The Committee notes VA has identified a total of \$95,900,000 in year 2000 requirements for fiscal year 1999, including such critical areas as biomedical equipment. The Committee is pleased that, according to a recent Booz-Allen review of VA's year 2000 activities, VA is on track to resolve year 2000 problems. Booz-Allen found no direct or immediate risks to veteran health care delivery or benefits. The Committee expects VA will ensure all year 2000 requirements are fully addressed.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$20,482,997,000
Budget estimate, 1999	21,857,058,000
Committee recommendation	21,857,058,000

PROGRAM DESCRIPTION

Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. The amount of compensation is based upon the impact of disabilities on earning capacity. Death compensation or dependency and indemnity compensation is payable to the surviving spouses and dependents of veterans whose deaths occur while on active duty or result from service-connected disabilities. A clothing allowance may also be provided for service-connected veterans who use a prosthetic or orthopedic device.

Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to non-service-connected disabilities which render them permanently and totally disabled. Under the Omnibus Budget Reconciliation Act of 1990, veterans 65 years of age or older are no longer considered permanently and totally disabled by law and are thus subject to a medical evaluation. Death pensions are payable to needy surviving spouses and children of deceased wartime veterans. The rate payable for both disability and death pensions is determined on the basis of the annual income of the veteran or his survivors.

This account also funds burial benefits and miscellaneous assistance.

COMMITTEE RECOMMENDATION

The Committee has provided \$21,857,058,000 for compensation and pensions. This is an increase of \$1,374,061,000 over the current budget and the same as the budget estimate.

The estimated caseload and cost by program follows:

COMPENSATION AND PENSIONS

	1998	1999	Difference
Caseload:			
Compensation:			
Veterans	2,283,761	2,361,862	+ 78,101
Survivors	304,683	305,438	+ 755
Children	2,000	2,000	.....
(Clothing allowance)	(74,384)	(75,252)	(- 868)
Pensions:			
Veterans	398,802	390,063	- 8,739
Survivors	300,029	282,984	- 17,045
Minimum income for widows (nonadd)	(397)	(782)	(- 385)
Vocational training (nonadd) ...	(85)	.....	(+ 85)
Burial allowances	97,300	92,400	- 4,900
Funds:			
Compensation:			
Veterans	\$14,052,014,000	\$15,270,428,000	+\$1,218,414,000
Survivors	3,298,467,000	3,313,334,000	+ 14,867,000
Children	21,488,000	21,700,000	+ 212,000
Clothing allowance	39,308,000	39,767,000	+ 459,000
Payment to GOE (Public Laws 101- 508 and 102-568)	1,460,000	1,472,000	+ 12,000
Medical exams pilot program	7,953,000	16,700,000	+ 8,747,000
Pensions:			
Veterans	2,306,876,000	2,326,838,000	+ 19,962,000
Survivors	743,426,000	720,712,000	- 22,714,000
Minimum income for widows	2,812,000	5,668,000	+ 2,856,000
Vocational training	234,000	.....	- 234,000
Payment to GOE (Public Laws 101-508, 102-568, and 103-446)	9,824,000	9,905,000	+ 81,000
Payment to Medical Care (Public Laws 101-508 and 102-568)	15,088,000	13,157,000	- 1,931,000
Payment to Medical Facilities .....	.....	.....	.....
Burial benefits	131,310,000	121,045,000	- 10,265,000
Other assistance	1,994,000	2,000,000	+ 6,000
Contingency .....	.....	.....	.....
Unobligated balance and transfers	- 149,257,000	- 5,668,000	+ 143,589,000
Total appropriation	20,482,997,000	21,857,058,000	+ 1,374,061,000

The appropriation includes \$24,534,000 in payments to the "General operating expenses" and "Medical care" accounts for expenses related to implementing provisions of the Omnibus Budget Reconciliation Act of 1990, the Veterans' Benefits Act of 1992, and the Veterans' Benefits Improvements Act of 1994. The amount provided includes funds for a projected 1999 cost-of-living increase of 2.2 percent for pension recipients.

Also, the bill includes language permitting this appropriation to reimburse such sums as may be necessary, estimated at \$2,322,000, to the medical facilities revolving fund to help defray the operating expenses of individual medical facilities for nursing home care provided to pensioners, should authorizing legislation be enacted.

The Committee has not included language proposed by the administration that would provide indefinite 1999 supplemental ap-

propriations after June 30, 1999 for compensation and pensions. The Committee has also rejected proposed bill language to split this account into three separate appropriation accounts.

READJUSTMENT BENEFITS

Appropriations, 1998	\$1,366,000,000
Budget estimate, 1999	1,175,000,000
Committee recommendation	1,175,000,000

PROGRAM DESCRIPTION

The readjustment benefits 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 (Montgomery GI bill) authorized under 38 U.S.C. 30. Eligibility to receive this assistance began in 1987. Basic benefits are funded through appropriations made to the readjustment benefits appropriation and transfers from the Department of Defense. Supplemental benefits are also provided to certain veterans and this funding is available from transfers from the Department of Defense. This account also finances vocational rehabilitation, specially adapted housing grants, automobile grants with the associated approved adaptive equipment for certain disabled veterans, and finances educational assistance allowances for eligible dependents of those veterans who died from service-connected causes or have a total permanent service-connected disability as well as dependents of servicepersons who were captured or missing in action.

COMMITTEE RECOMMENDATION

The Committee has recommended the budget estimate of \$1,175,000,000 for readjustment benefits. The amount recommended is a decrease of \$191,000,000 below the enacted level. The estimated caseload and cost for this account follows:

READJUSTMENT BENEFITS

	1998	1999	Difference
Number of trainees:			
Education and training: Dependents	42,253	43,043	+ 790
All-Volunteer Force educational assistance:			
Veterans and servicepersons	308,000	309,900	+ 1,900
Reservists	76,800	76,400	- 400
Vocational rehabilitation	53,269	52,190	- 1,079
Total	480,322	481,533	- 1,211
Funds:			
Education and training: Dependents	\$106,617,000	\$108,530,000	+ \$1,913,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	807,533,000	816,798,000	+ 9,265,000
Reservists	91,226,000	100,737,000	+ 9,511,000
Vocational rehabilitation	402,767,000	402,907,000	+ 140,000
Housing grants	14,723,000	14,723,000	

READJUSTMENT BENEFITS—Continued

	1998	1999	Difference
Automobiles and other conveyances	4,660,000	4,660,000	.....
Adaptive equipment	22,100,000	21,500,000	— 600,000
Work-study	31,974,000	31,078,000	— 896,000
Payment to States	13,000,000	13,000,000	.....
Jobs training (Public Law 102-484) .....	.....	.....	.....
Unobligated balance and other adjustments	— 128,600,000	— 338,933,000	— 210,333,000
Total appropriation	1,366,000,000	1,175,000,000	— 191,000,000

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 1998	\$51,360,000
Budget estimate, 1999	46,450,000
Committee recommendation	46,450,000

PROGRAM DESCRIPTION

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, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

COMMITTEE RECOMMENDATION

The Committee has provided \$46,450,000 for veterans insurance and indemnities, as requested by the administration. This is a decrease of \$4,910,000 below the current budget. The Department estimates there will be 4,740,794 policies in force in fiscal year 1999 with a total value of \$487,822,000,000.

VETERANS HOUSING BENEFIT PROGRAM FUND

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1998	\$166,370,000	\$160,437,000
Budget estimate, 1999	263,587,000	159,121,000
Committee recommendation	263,587,000	159,121,000

PROGRAM DESCRIPTION

This appropriation provides for all costs, with the exception of the Native American Veteran Housing Loan Program, of VA's direct and guaranteed loans, as well as the administrative expenses to carry out the direct and guaranteed loans programs, which may be transferred to and merged with the general operating expenses appropriation.

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. This account represents a new fund established last year to consolidate the guaranty and indemnity fund, loan guaranty fund, and direct loan fund. This consolidation merges 11 accounts into 4 accounts under the new veterans housing benefit program fund [VHBPF] to achieve administrative efficiencies. All appropriations and income formerly received from the old accounts will be deposited in this new fund. No program or scoring changes result as an effect of this presentation.

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total \$263,587,000, and \$159,121,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language authorizes not to exceed \$300,000 in gross obligations for direct loans for specially adapted housing loans.

EDUCATION LOAN FUND PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1998	\$1,000	\$200,000
Budget estimate, 1999	1,000	206,000
Committee recommendation	1,000	206,000

PROGRAM DESCRIPTION

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 administrative funds may be transferred to and merged with the appropriation for the general operating expenses to cover the common overhead expenses.

COMMITTEE RECOMMENDATION

The bill includes \$1,000 for program costs and \$206,000 for administrative expenses. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$3,000.

VOCATIONAL REHABILITATION LOAN PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 1998	\$44,000	\$388,000
Budget estimate, 1999	55,000	400,000
Committee recommendation	55,000	400,000

PROGRAM DESCRIPTION

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 \$830.90 (based on indexed chapter 31 subsistence allowance rate) are available to service-connected disabled veterans enrolled in vocational rehabilitation programs as provided under 38 U.S.C. chapter 31 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.

COMMITTEE RECOMMENDATION

The bill includes the requested \$55,000 for program costs and \$400,000 for administrative expenses for the Vocational Rehabilitation Loan Program. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program direct loans to \$2,401,000. It is estimated that VA will make 4,900 loans in fiscal year 1999, with an average amount of \$490.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM
(INCLUDING TRANSFER OF FUNDS)

	<i>Administrative expenses</i>
Appropriations, 1998	\$515,000
Budget estimate, 1999	515,000
Committee recommendation	515,000

PROGRAM DESCRIPTION

This program will test the feasibility of enabling VA to make direct home loans to native American veterans who live on U.S. trust lands. It is a pilot program that began in 1993 and expires on December 31, 2001. Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

COMMITTEE RECOMMENDATION

The bill includes the budget estimate of \$515,000 for administrative expenses associated with this program in fiscal year 1999. These funds may be transferred to the "General operating expenses" account.

VETERANS HEALTH ADMINISTRATION
MEDICAL CARE

Appropriations, 1998	\$17,057,396,000
Budget estimate, 1999	17,027,975,000
Committee recommendation	17,250,000,000

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 172 hospitals, 40 domiciliaries, 134 nursing homes, and 673 outpatient clinics which includes independent, satellite, community-based, and rural outreach clinics.

This appropriation provides for medical care and treatment of eligible beneficiaries in VA hospitals, nursing homes, domiciliaries, and outpatient clinic facilities; contract hospitals; State home facilities on a grant basis; contract community nursing homes; and through the hometown outpatient program, on a fee basis. Hospital and outpatient care also are provided for certain dependents and survivors of veterans under the Civilian Health and Medical Program of the VA [CHAMPVA]. The medical care appropriation also provides for training of medical residents and interns and other professional paramedical and administrative personnel in health science fields to support the Department's and the Nation's health manpower demands.

COMMITTEE RECOMMENDATION

The Committee recommends \$17,250,000,000 for VA medical care, an increase of \$222,025,000 over the budget request and \$192,604,000 above the enacted level. In addition, VA has authority to retain third-party collections, estimated by the Department to total \$677,000,000 in fiscal year 1999. Therefore, the Committee's recommendation represents total discretionary resources for medical care of \$17,927,000,000.

The Committee commends VA's efforts in support of its 30-20-10 goal—a 30-percent reduction in per-patient costs, a 20-percent increase in the number of veterans served, and 10 percent of the medical care budget from nonappropriated revenues by the year 2002 relative to the baseline year 1997. VA has made significant progress in the past year in reducing per-patient costs and has also increased the number of veterans receiving care in the VA above original estimates. However, VA's efforts to increase funds from alternative revenue sources have not been as successful. In particular, VA has fallen behind its estimates in the collection of funds from third-party payers. VA is to implement aggressively all recommendations from the General Accounting Office and the Coopers & Lybrand MCCR national study to improve its collections efforts to ensure collections targets are met or exceeded.

In addition, the Department has not received legislative authority for seeking reimbursement from Medicare for certain Medicare-eligible veterans. Achievement of the goal to increase alternative revenue sources is heavily dependent on enactment of Medicare subvention authority. VA has underutilized capacity that will allow the treatment of additional veterans who are Medicare-eligible at marginal cost. The Committee urges the committees of jurisdiction to act expeditiously to provide this authority.

The Committee continues to support VA's veterans equitable resource allocation system [VERA]. Price Waterhouse recently completed a review of VERA and found that the system equitably distributes funds across networks, focuses funding on the highest pri-

ority veterans, and addresses veterans' special health care needs. Price Waterhouse also found, however, that some adjustments to the VERA system may be warranted including strengthening data accuracy and accountability. VA is to keep the Committee apprised of its plans and progress in implementing the Price Waterhouse recommendations.

The Committee urges VHA as it attempts to become more business-like to be mindful of its critical mission of providing high quality care for veterans, and meeting their most important needs. The Committee is aware of misguided and inappropriate efforts in one network seeking to increase its enrollment by providing services which were not being sought, to area businesses' veteran employees. This example points to the need for appropriate guidelines and standards to be provided to the networks by central office as VA's restructuring of the field continues and as cost efficiency measures are implemented.

The Committee is encouraged by the Department's efforts to expand access to health care for veterans unable to visit VA facilities by establishing telemedicine centers. The Committee notes that in rural areas such as Montana, veterans have difficulty accessing VA care, and these areas are particularly well suited for telemedicine technology.

The Committee supports the Alaska Federal Health Care Partnership's proposal to develop an Alaskawide telemedicine network to provide access to health services and health education information in remote areas of Alaska to the more than 200,000 Federal beneficiaries now living in Alaska, including more than 65,000 veterans. The partnership, a joint effort of the Department of Veterans Affairs, Department of Defense, Coast Guard, and the Indian Health Service, will create 235 telemedicine health care access sites over a 4-year period at VA, IHS, DOD, and Coast Guard clinical facilities throughout Alaska linking remote installations and villages with tertiary health facilities located in Anchorage and Fairbanks. It should serve as a model for the use of telemedicine technology for the delivery of health care services and health care education in remote and inaccessible settings. The Committee anticipates that, once operational, the Alaska telemedicine network will generate substantial savings by avoiding the high cost of transporting veterans from remote villages to Anchorage or other hub medical facilities for routine health problems and will result in a significantly higher level of available health care for Alaska veterans living in remote and inaccessible locations. The Committee has provided funding of \$1,000,000 for the first year costs for the Department of Veterans Affairs to participate in the partnership's Alaska telemedicine project.

The Committee recognizes the advancing age of the veteran population and the possibility some State veterans homes may not have the capacity to meet this growing demand. The Committee is aware of the increasing number of unused inpatient hospital beds since outpatient care is on the rise. The Committee encourages VA to work in partnership with States to determine if such a shortage of nursing home beds will exist in the future. VA should evaluate the feasibility and appropriateness of converting some available hospital beds into nursing home beds where the need is apparent.

VA is to report to the Committee within 120 days of enactment of this act on its progress in this area and provide a long-range plan for meeting the increasing long-term care needs of the veteran population.

The Committee commends VA for increasing the State home per diem to \$43.92 in fiscal year 1999, consistent with the goal of increasing the VA share over time to 33⅓ percent. The administration's budget includes \$9,057,000 to accommodate this increase, and the Committee is fully supportive.

The Committee notes that in the past 3 years VA has closed approximately 4,500 acute mental health and substance abuse beds, while increasing the number of patients receiving outpatient mental health and substance abuse treatment by approximately 43,200. Outpatient-based treatment for homeless veterans with mental illnesses and substance abuse disorders can be effective, but must be coupled with safe, supervised transitional housing programs. The Committee urges VA to ensure adequate funding for grants and per diem payment assistance to community-based providers of services to homeless veterans.

The Committee is aware of the years of service provided to veterans at the Fort Howard VAMC in Baltimore County, MD. The Committee is aware of discussions to locate a new State veterans home on the property at Fort Howard. The Committee wishes to ensure that veterans in the area continue to receive the services necessary to meet their needs. The Committee is interested in a continuum of care approach being explored for the current or future facilities at Fort Howard, and urges VA to develop a plan for providing gerontology services at Fort Howard. In developing the plan, VA should study a wide range of service options.

The Committee commends VHA for improving the process used to establish new community-based outpatient clinics by providing guidance to the networks and instituting a more structured planning process. However, according to the General Accounting Office, it is not clear that the networks are using clinics to equalize veterans' access to primary care. Given the importance of equalizing access, the Committee urges VHA to address this important concern.

The Committee notes the need for community-based outpatient clinics in St. Johnsbury and Rutland, VT, Petersburg and Franklin, WV, and Anne Arundel County, MD, and urges the Department to consider establishing clinics expeditiously in these locations if the criteria for CBOC's are met and requisite procedures followed.

In addition, the Committee is aware of the need for CBOC's in Beaufort, Sumter, Rock Hill, and Orangeburg, SC, which would improve services to over 150,000 veterans in 16 counties. The Committee urges VHA to accelerate efforts by the Charleston and Columbia VAMC to promote these valuable initiatives.

The Committee remains supportive of the VA/DOD distance learning project designed to transition clinical nurse specialists into roles as adult nurse practitioners.

The Committee continues to support VA's efforts to strengthen its Psychology Training Program.

The Committee directs the Department to continue the demonstration project involving the Clarksburg VAMC and the Ruby Memorial Hospital at West Virginia University.

The Committee is aware of the important clinical work being done with the Depleted Uranium Follow-Up Program at the Baltimore VAMC. The Depleted Uranium [DU] Follow-Up Program at Baltimore is the only one of its kind in the VA or Department of Defense. The staff of this program have provided valuable training, consultation, and treatment recommendations to medical staff at VAMC's, DOD hospitals, and private hospitals across the country on the medical management of veterans with DU exposure. The clinical information that results from the regular, ongoing monitoring of these veterans also helps contribute to the developing research on the long-term health effects of DU. Therefore, the Committee urges VA to continue to support the DU Program at the Baltimore VAMC and the unique population of veterans served by it.

The Committee urges VA to complete testing of a fluidized bed combustor at the Lebanon, PA, VAMC, which combines a new clean coal burning technology with the safe and economic disposal of infectious hospital wastes. In addition to destroying the hospital's infectious waste, this technology will provide an onsite source of steam and heat for heating and laundry needs.

The Committee is concerned that the rate of serious illness related to diabetes are expected to rise rapidly among the veteran population over the next decade, and the costs of treatment are significant. Such costs can be reduced with early screening and prevention programs. Therefore, the Committee urges VA to provide support for a cooperative diabetes prevention research and demonstration pilot to link regional VAMC's with the Centers for Disease Control and Prevention's [CDC's] prevention centers located within accredited schools of public health. The prevention centers would work with the VAMC's to develop a diabetes prevention program targeted at exercise, nutrition, and the latest geriatric expertise. The Committee recommends the pilot be conducted at three VAMC's located near accredited schools of public health which currently have CDC prevention centers in operation.

The Committee notes the growing problem of hepatitis C and related liver disease among veterans, and the importance of screening veterans in order to detect and treat such diseases early enough to prevent serious and costly illness. The Committee urges VA adopt the appropriate hepatitis C testing protocol, including a hepatitis C antibody test, for any patient having blood drawn who has no history of a hepatitis C antibody or antigen test in the medical record.

The Committee has included bill language delaying the availability until September 30, 1999, of \$687,000,000 in the equipment, lands, and structures object classifications.

The Committee has not recommended bill language proposed by the administration to make available through September 30, 2000, up to 8.3 percent of the amounts made available for medical care.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 1998	\$272,000,000
Budget estimate, 1999	300,000,000
Committee recommendation	310,000,000

PROGRAM DESCRIPTION

The “Medical and prosthetic research” account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities. Rehabilitation research focuses on rehabilitation engineering problems in the fields of prosthetics, orthotics, adaptive equipment for vehicles, sensory aids and related areas. Health services research focuses on improving the effectiveness and economy of delivery of health services.

COMMITTEE RECOMMENDATION

The Committee recommends \$310,000,000 for medical and prosthetic research. This is an increase of \$38,000,000 over the current level and \$10,000,000 above the budget request. The Committee remains highly supportive of this program, and recognizes its importance both in improving health care services to veterans and recruiting and retaining high-quality medical professionals in the Veterans Health Administration.

The Committee urges VA and the Department of Defense to work on a new broad cooperative research program on alcoholism. The Committee also urges that VA and the National Institute on Alcohol Abuse and Alcoholism establish joint research programs on the epidemiology, cause, prevention, and treatment of alcoholism. The Committee notes the increased morbidity, mortality, lost productivity, accidents, and violence caused by the high rate of alcoholism in the veteran population and the abundance of research opportunities which will help prevent these consequences of alcoholism.

The Committee encourages VA to fund adequately research on neurofibromatosis [NF]. The Committee is pleased VA has coordinated its NF research efforts with the U.S. Army Medical and Material Command and encourages continued collaboration. The Committee expects VA to report on the status of its NF research program within 120 days of enactment of this act.

The Committee urges VA to develop an initiative similar to DOD’s Triservice Nursing Research Program to enhance nursing research initiatives focusing on specific health care needs of aging veterans and as a means of improving health care outcomes.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriations, 1998	\$59,860,000
Budget estimate, 1999	60,000,000
Committee recommendation	60,000,000

PROGRAM DESCRIPTION

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.

COMMITTEE RECOMMENDATION

The Committee recommends \$60,000,000 for medical administration and miscellaneous operating expenses, the same as the budget request and an increase of \$140,000 above the current budget.

GENERAL POST FUND, NATIONAL HOMES
(INCLUDING TRANSFER OF FUNDS)

	Program account	Limitation on direct loans	Administrative expenses
Appropriations, 1998	\$7,000	\$70,000	\$54,000
Budget estimate, 1999	7,000	70,000	54,000
Committee recommendation	7,000	70,000	54,000

PROGRAM DESCRIPTION

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 2 years through monthly installments.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$7,000 for the estimated cost of providing loans, \$54,000 for 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

Appropriations, 1998	\$786,135,000
Budget estimate, 1999	849,661,000
Committee recommendation	854,661,000

PROGRAM DESCRIPTION

This appropriation provides for the administration of nonmedical veterans benefits through the Veterans Benefits Administration [VBA], the executive direction of the Department, several top level supporting offices, of the Board of Contract Appeals, and the Board of Veterans Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$854,661,000 for general operating expenses, an increase of \$68,526,000 above the current budget and \$5,000,000 above the budget request. In addition to this appropriation, resources are made available for general operating expenses through reimbursements totaling \$374,148,000 for fiscal year 1999, with total estimated obligations of approximately \$1,228,809,000.

The Committee has provided an additional \$5,000,000 above the budget request for activities associated with restructuring the Vet-

erans Benefits Administration. However, no such funds shall be spent prior to submission of a detailed spending plan which closely follows the recommendations of the National Academy of Public Administration.

The Committee is concerned with the Veterans Benefits Administration's continued problems with timeliness and quality in processing compensation and pension claims. VBA's shortcomings have been identified by the National Academy of Public Administration, the Veterans Claims Adjudication Commission, the General Accounting Office, and the inspector general over the past several years. While VBA has begun to implement some recommendations made by NAPA, the Commission, and others, VBA is failing to meet its timeliness goals for fiscal year 1998, the quality of decisionmaking remains poor in too many instances, and many of VBA's business process reengineering goals will not be met.

The Committee is encouraged that in the last year both the Department and VBA have gained new leadership, plans are being crafted to restructure VBA and its field operations, and a number of new initiatives are planned. The Committee expects that the Department will give the highest priority to remedying the shortcomings in VBA. The Committee strongly urges VBA to follow NAPA's recommendation to seek outside expertise to remedy its problems. Given the importance of improving service delivery to veterans, the Committee has provided an additional \$5,000,000 above the budget request and has fully funded the \$22,618,000 request for VBA initiatives to improve compensation and pension claims processing.

The Committee notes the amount recommended includes an increase of \$2,200,000 for the Office of General Counsel, principally to address the growing backlog of veterans claims at the Court of Veterans Appeals.

NATIONAL CEMETERY SYSTEM

Appropriations, 1998	\$84,183,000
Budget estimate, 1999	92,006,000
Committee recommendation	92,006,000

PROGRAM DESCRIPTION

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 the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and permanently to 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.

There are a total of 149 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery System provides funds for all of these cemeterial installations, including the Tahoma National Cemetery.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$92,006,000 for the National Cemetery System. This is an increase of \$7,823,000 over the enacted level.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1998	\$31,013,000
Budget estimate, 1999	32,702,000
Committee recommendation	36,000,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit and investigation and inspections of all Department of Veterans Affairs programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$36,000,000 for the inspector general. This is an increase of \$3,298,000 above the request and \$4,987,000 above the current budget.

Additional funds have been provided to enable the Office to hire approximately 35 additional staff. Currently the Office of the Inspector General has approximately 320 FTE's (nonreimbursable), compared to the statutory floor of 417. Without additional funds, the Office of Investigations, for example, would be able to respond to no more than 25 percent of the requests for investigative assistance. Additional resources will enable the OIG to pursue additional cases involving benefits fraud, fee basis health care fraud, workers' compensation fraud, audits of the reliability of VA performance measurement data under GPRA, and other nationwide program audits and investigations.

The Committee is aware of the General Accounting Office's [GAO] report, entitled "Veterans Affairs Special Inquiry Report was Misleading," on the suspicious deaths at the Harry S. Truman VA Medical Center in Columbia, MO. The Committee is concerned about several issues highlighted in the GAO's report, including the OIG's failure to comply with its own reporting policies, the OIG's attribution to the delay in acting upon coverup allegations, and the OIG's breaching of the confidentiality of the staffperson who made the allegations of coverup. The Committee directs the VA to develop guidelines and safeguards to ensure that these or similar mistakes do not occur in the future and report to the Committee no later than February 1, 1999.

CONSTRUCTION, MAJOR PROJECTS

Appropriations, 1998	\$177,900,000
Budget estimate, 1999	97,000,000
Committee recommendation	142,300,000

PROGRAM DESCRIPTION

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 \$4,000,000 or more.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$142,300,000 for construction, major projects, an increase of \$45,300,000 above the budget request.

The Committee recommendation includes \$7,500,000 for the Jefferson Barracks National Cemetery gravesite development. This project includes the development of approximately 13,200 gravesites for full casket interments in 35 acres and other critical improvements to this facility. If this project were not undertaken, Jefferson Barracks National Cemetery would deplete its current inventory of full casket gravesites in mid-2005. Such an outcome would be inconsistent with the National Cemetery System strategic planning objective to continue to provide service by expanding existing cemeteries.

The recommendation includes \$28,300,000 for the Cleveland Wade Park ambulatory care addition/renovation project. This project will address such critical issues as the lack of patient privacy, insufficient emergency room space, congested waiting areas, cold treatment rooms, and inadequate heating during the winter months. Additionally, access to the building does not meet American With Disabilities Act [ADA] requirements.

The Committee has included \$9,500,000 for the Lebanon, PA, VAMC for nursing unit renovations including providing patients with increased privacy.

The following table compares the Committee recommendation with the budget request.

CONSTRUCTION, MAJOR PROJECTS

[In thousands of dollars]

Location and description	Available through 1998	1999 request	Committee recommenda- tion
Medical Program:			
Seismic:			
Long Beach, CA, clinical consolidations/seismic		23,200	23,200
San Juan, PR, seismic corrections		50,000	50,000
Nursing home care unit: Lebanon, PA, renovations			9,500
Ambulatory care: Cleveland, OH, outpatient addition/ren- ovation	7,500		28,300
Advance planning fund: Various stations		6,600	6,600
Asbestos abatement: Various stations		5,460	5,460
Less: Design fund		-1,160	-1,160
Subtotal		84,100	121,900
National Cemetery Program:			
Florida National Cemetery columbarium development		6,000	6,000
Fort Rosecrans National Cemetery columbarium develop- ment		6,000	6,000
Jefferson Barracks National Cemetery gravesite develop- ment			7,500

CONSTRUCTION, MAJOR PROJECTS—Continued

[In thousands of dollars]

Location and description	Available through 1998	1999 request	Committee recommendation
Advance planning fund: Various stations		1,000	1,000
Less: Design fund		— 600	— 600
Subtotal		12,400	19,900
Claims analyses: Various stations		500	500
Total construction, major projects		97,000	142,300

The Committee notes that \$900,000 was provided in fiscal year 1998 for a veterans cemetery in Oklahoma City. This project has long been planned, and additional funds were appropriated prior to fiscal year 1998 for planning and related activities. The Committee was very disappointed in the administration's decision to strike funding for this project through the line-item veto. The Committee continues to support the project, but will await the outcome of judicial proceedings relative to line-item veto authority before taking further action on funding.

CONSTRUCTION, MINOR PROJECTS

Appropriations, 1998	\$175,000,000
Budget estimate, 1999	141,000,000
Committee recommendation	175,000,000

PROGRAM DESCRIPTION

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 \$4,000,000.

COMMITTEE RECOMMENDATION

The Committee recommends \$175,000,000 for minor construction, the same as the current budget and an increase of \$34,000,000 above the request.

The Committee notes the need for connecting the Fort Harrison VAMC to the Helena public sewer system. Fort Harrison VAMC currently uses an antiquated lagoon sewage treatment system which runs near a stream and will soon exceed peak capacity. VA is to work closely with the Department of Defense, the Montana Army National Guard, the State of Montana, and the city of Helena to resolve the matter expeditiously and in a mutually acceptable manner.

PARKING REVOLVING FUND

PROGRAM DESCRIPTION

The revolving fund provides funds for the construction, alteration, and acquisition (by purchase or lease) of parking garages at VA medical facilities authorized by 38 U.S.C. 8109.

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 would be used to fund future parking garage initiatives.

COMMITTEE RECOMMENDATION

No new budget authority is requested by the administration or provided for fiscal year 1999.

The Committee has no objection to the administration's proposal to utilize \$11,900,000 from current unobligated balances and parking receipts in the parking revolving fund for the parking structure at the Denver VAMC.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 1998	\$80,000,000
Budget estimate, 1999	37,000,000
Committee recommendation	90,000,000

PROGRAM DESCRIPTION

This account is used to provide grants to assist States in acquiring or constructing 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. The grant may not exceed 65 percent of the total cost of the project, and grants to any one State may not exceed one-third of the amount appropriated in any fiscal year.

COMMITTEE RECOMMENDATION

The Committee recommends \$90,000,000 for grants for the construction of State extended care facilities. The amount provided represents an increase of \$53,000,000 above the budget request and \$10,000,000 above the enacted level. The Committee notes there is a backlog of \$150,000,000 in priority one projects from fiscal year 1998. This program is a cost-effective means of meeting the long-term health care needs of veterans.

The Committee supports efforts to modify the methodology for awarding State home construction grant funds according to the following conditions supported by the National Association of State Veterans Homes: (1) VA should prioritize requests in the year they are received, utilizing current VA needs criteria; (2) grant requests received in future years should be prioritized in the same manner with the understanding they will not receive funding until projects submitted in previous years are funded; (3) a State without a State home automatically should become eligible for funding for its first

home regardless of the year its request is received. Following such conditions will facilitate effective planning by the States and result in the most equitable method of allocating resources.

The Committee notes the need for Federal assistance for State veterans homes in St. Louis and Mount Vernon, MO, both priority one projects, which sought funding and were denied in fiscal year 1998. In addition, the Committee notes that the Delaware Valley Veterans Home in north Philadelphia represents a high-priority State home project. Finally, the Committee notes the need for replacing the dietary facility at the Grand Island, Nebraska State Veterans Home. State matching funds have been committed for each of these projects.

The Committee urges VA to consider a request from the State of Pennsylvania for matching funds to replace the boiler plant at the Southeastern Veterans Center in Spring City, PA. The boiler plant is in urgent need of replacement and may put at risk the health and safety of the residents.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

Appropriations, 1998	\$10,000,000
Budget estimate, 1999	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

Public Law 95-476, as codified in title 38 U.S.C. 2408, established authority to provide aid to States for establishment, expansion, and improvement of State veterans' cemeteries which 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.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$10,000,000 for grants for construction of State veterans' cemeteries in fiscal year 1999.

The Committee notes the need for cemeteries in southeast and north-central Missouri. State funds have already been committed and VA is urged to consider favorably the State's grant application.

ADMINISTRATIVE PROVISIONS

The Committee has included seven administrative provisions carried in earlier bills. Included is a provision enabling VA to use surplus earnings from the national service life insurance, U.S. Government life insurance, and veterans special life insurance programs to administer these programs. This provision was included for the first time in fiscal year 1996 appropriations legislation. The Department estimates that \$38,960,000 will be reimbursed to the "General operating expenses" account as a result of this provision.

The Committee has included bill language as requested by the administration which extends the availability of previously appropriated funds for capital leases which would otherwise expire in 1999 and 2000. Without this language, certain funds for multiyear leases would lapse prior to the end of the lease period. The provi-

sion is in compliance with section 1557 of title 31 which provides that a provision in an appropriation act may exempt certain funded activities from the requirement that appropriations are available for only 5 years after the close of the fiscal period for which they are appropriated.

The Committee has included bill language requested by the administration authorizing the reimbursement of the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for services provided, from funds in any appropriation for salaries and other administrative expenses.

TITLE II—DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

Appropriations, 1998	\$21,444,565,000
Budget estimate, 1999	25,215,263,705
Committee recommendation	24,102,118,030

GENERAL DESCRIPTION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89–174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation’s housing needs, fair housing opportunities, and improving and developing the Nation’s communities.

In carrying out the mission of serving the needs and interests of the Nation’s communities and of the people who live and work in them, HUD administers mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunity; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD administers programs to protect the homebuyer in the marketplace and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,102,118,030 for the Department of Housing and Urban Development. This is an increase of \$2,657,553,030 above the 1998 enacted level.

The Committee commends Secretary Cuomo for his industry in tackling HUD’s many problems and his energetic implementation of the HUD 2020 management reform plan. Nevertheless, the Committee remains concerned over HUD’s continuing efforts at reinventing itself, most recently through this HUD 2020 management reform plan, which was announced by the Secretary on June 26, 1997.

The management reform plan calls for major modification of HUD’s field office and headquarters organizational structure, consolidation of HUD’s programs and activities, and significant modifications to the way HUD does business. The plan also calls for the dramatic downsizing of HUD staff from 10,500 to 7,500 by 2002.

Nevertheless, it is far too early to judge the success of the plan, and the Committee urges the Secretary to make the implementa-

tion of the plan the first priority coupled with HUD program reform and consolidation. The Department has been designated as high risk by GAO, the only agency designated as high risk in its entirety. This designation is largely founded on inadequate internal controls and the fact that HUD lacks reliable data to ensure accountability within HUD programs. These problems have not been resolved. Both GAO and the HUD inspector general continue to find significant problems within a number of HUD programs, and especially with regard to shortcomings in the section 8 accounting system. Most recently, these shortcomings have led to, among other problems, wide swings in the budget estimates from shortfalls of \$1,000,000,000 to \$20,000,000,000 for the amount of funds necessary for amendments to fund existing section 8 project-based contracts.

Of equal concern is the apparent failure of HUD to exercise adequate oversight over the contractor responsible for tracking the funding needs of section 8 project-based contracts. The Committee is concerned over the lack of in-house expertise that has led to an overdependence on outside contractors to perform many activities. Moreover, as staff downsizing continues, the reliance on outside contracting will likely increase while the Department apparently has made little progress in developing adequate oversight of the contracting work. Recently, an inspector general review of HUD contracting practices found that "the lack of adequate planning, needs assessment, good initial estimates, monitoring, and control of costs has made HUD vulnerable to waste and abuse."

In addition, the Committee remains concerned over the component of the HUD 2020 plan that calls for reducing HUD staff to 7,500 by 2002 and reorganizing functions. Both GAO and the HUD inspector general have determined that the 7,500 staff target is not grounded in any cost-benefit analysis or any assessment of needs. While the Committee defers to the judgment of the Secretary, the Committee requests that the Department provide a semiannual review to the Committee, with the first report due on April 1, 1999, on the current status of the HUD 2020 plan, including an assessment of how staff resources are being used to meet program needs.

In addition, despite staff downsizing, the Committee is concerned that HUD continues to grow new programs rather than developing and implementing program consolidation and reform. The Committee, therefore, directs the Department to report within 120 days of enactment of this legislation on how many programs the Department has eliminated in the last 2 years and plans to eliminate, what cost savings may be associated with the eliminations, and what increased efficiency the Department anticipates will be gained by program consolidations and eliminations (including staff reassignments and reductions).

The Committee also is concerned over the Department's apparent lack of interest in working with the Senate and House housing subcommittees in consolidating and reforming HUD's primary programs. Instead, the Department's apparent strategy is to seek authority for broad new initiatives and programs through general appropriation language. While certain matters may be appropriate for the Appropriations Committee to address, HUD's apparent disregard for the authorizing committees and primary focus on the ap-

appropriations process is inappropriate. For example, proposals like HUD's regional opportunity counseling initiative and regional connections initiative are proposals which raise many policy issues and require the development of a program structure that is typical of authorizing legislation, not appropriation legislation.

The Committee also urges HUD to continue to work to meet all the requirements of the Government Performance and Results Act. While the HUD budget needs to reflect the planning requirements of GPRA, it largely does not. Again, consultation with Congress is critical to the success of the Results Act and the success of HUD.

HOUSING CERTIFICATE FUND
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$9,373,000,000
Budget estimate, 1999	8,981,187,705
Committee recommendation	10,013,542,030

PROGRAM DESCRIPTION

This account provides funding for the section 8 programs, including vouchers, certificates, and project-based assistance. Section 8 assistance is the principal appropriation for Federal housing assistance, with almost 3 million families assisted under section 8. Under these programs, eligible low-income families pay 30 percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$10,013,542,030, of which \$9,540,000,000 shall be used to fund expiring section 8 contracts and \$433,542,030 shall be used to fund section 8 relocation assistance, including the costs of sticky vouchers for families that choose to continue to live in multifamily housing in which a mortgage is refinanced and the housing was previously eligible for the Preservation Program. This account ensures the funding of all expiring section 8 contracts. This account includes \$40,000,000 in incremental section 8 assistance to be provided to public housing agencies in certain demonstration cities and on a fair share basis for families on waiting lists that have agreed to participate in a local self-sufficiency/welfare-to-work program. Finally, this account includes funds for new section 8 certificates and vouchers to assist residents that are facing displacement due to prepayment of subsidized mortgages under sections 236 and 221(d)(3) of the National Housing Act (the Preservation Program) or because of demolition and redevelopment activities of public housing agencies under HOPE VI.

For projects facing displacement because of prepayment, HUD is authorized to provide sticky vouchers which permit current residents of such a project to be subsidized based on the market rent for a dwelling unit in the project. Tenants shall remain eligible for sticky vouchers so long as they continue to live in projects for which owners have prepaid the mortgage, subject to a rent reasonableness standard. Other activities eligible for funding under this

account include the conversion of section 23 projects to assistance under section 8, the family unification program, and the relocation of witnesses in connection with efforts to fight crime in public and assisted housing pursuant to a law enforcement or prosecution agency.

In addition, the Committee believes that section 8 tenant-based assistance provides a unique opportunity for disabled families to have a more diverse housing choice with an opportunity to mainstream into a community of choice. In cases where elderly public housing and assisted housing projects are designated as elderly-only, it is expected that up to \$40,000,000 be used to provide needed section 8 tenant-based housing assistance for disabled families that would otherwise be served by public and assisted housing.

In addition, both the Senate and House VA, HUD, and Independent Agencies Appropriations Subcommittees requested an audit and budget scrub of the section 8 accounts, including all tenant-based and project-based section 8 funds. The Committee understands that the GAO findings raise serious issues with HUD's accounting procedures and its ability to administer its accounts. Further, based on discussions with GAO and HUD, the Committee has determined that the budget request for \$1,377,000,000 for section 8 amendment funding is unnecessary and that an additional \$1,400,000,000 are excess section 8 project-based funds. These funds have been rescinded in the bill. The Committee commends GAO for its fine and diligent work on the section 8 account as well as its other fine work on other HUD accounts and programs.

Finally, the Committee reiterates its continuing and growing concern over HUD's inadequate accounting procedures for identifying excess section 8 contract reserves as well as excess project-based section 8 assistance. The Department currently continues to express uncertainty over the accuracy of its section 8 accounting and its reports to this Committee are often misleading and confusing. This is unacceptable and the Department's continued failure to provide accurate analysis of all accounts has resulted in a lack of credibility beyond all reasonableness. Therefore, the Committee reminds HUD that an accurate fiscal forecast of the funding in all HUD programs is critical to HUD's credibility and is a requirement to a sound relationship with this Committee.

The Committee also requests that HUD provide the Committee with a report and recommendations by May 1, 1999, on ways to address the escalating costs of the section 8 program, including an analysis and recommendations with respect to both the anticipated \$20,000,000,000 per year cost associated with expiring section 8 contracts, as well as HUD's projected shortfalls in the funding currently appropriated for section 8 project-based contracts. This report should include a projected yearly cost analysis for the next 20 years, using the current cost model, a 2-percent inflation cost model, a 2.5-percent inflation cost model, and a 3-percent inflation cost model. All factors used in each cost model must be fully described. HUD also should include in this report recommendations on how to pay for the funding of additional incremental section 8 contracts under the existing budget agreement, including recommendations for program cuts or consolidations.

As noted above, in response to concerns raised by the Department and others for welfare-to-work and self-sufficiency initiatives, the Committee has included \$40,000,000 in incremental section 8 assistance to be administered by public housing agencies as part of local self-sufficiency/welfare-to-work initiatives for families on waiting lists. The Committee has designated eight demonstration sites to receive \$4,000,000 in section 8 assistance each: Los Angeles, CA; Cleveland, OH; Kansas City, MO; Charlotte, NC; Miami/Dade County, FL; Prince Georges County, MD; New York City, NY; and Anchorage, AK. The additional funding is to be allocated on a fair-share basis. The funding level reflects the Committee's lack of confidence in HUD's capacity to manage these resources efficiently, including HUD's continuing inability to provide accurate accounting of existing funds and out-year obligations.

PUBLIC HOUSING CAPITAL FUND

Appropriations, 1998	\$2,500,000,000
Budget estimate, 1999	2,550,000,000
Committee recommendation	2,550,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including supportive service activities as well as technical assistance. Eligible activities include congregate services for the elderly and disabled, service coordinators, and other supportive services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,550,000,000 for the public housing capital fund, the same as the budget request and \$50,000,000 more than the fiscal year 1998 level.

Energy efficiency remains a major concern with the older public housing stock. The Committee requests HUD to provide a report to the Committee by June 1, 1999, on energy cost throughout the public housing stock, including recommendations on reducing excessive costs. The Committee urges HUD to work with the National Center for Appropriate Technology [NCAT] for determining an appropriate strategy for addressing excessive energy costs in public housing. HUD is directed to report to the Committee by July 15, 1999, on a strategy for addressing excessive energy costs in public housing.

PUBLIC HOUSING OPERATING FUND

Appropriations, 1998	\$2,900,000,000
Budget estimate, 1999	2,818,000,000
Committee recommendation	2,818,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to public housing authorities (except Indian housing authorities) to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs as determined through the performance funding system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,818,000,000 for the public housing operating fund, the same as the budget request.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

Appropriations, 1998	\$310,000,000
Budget estimate, 1999	310,000,000
Committee recommendation	310,000,000

PROGRAM DESCRIPTION

Drug elimination grants are provided to public and Indian housing agencies to combat drug-related crime in and around public housing developments.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$310,000,000 for drug elimination grants for low-income housing, of which \$10,000,000 shall be awarded for technical assistance grants, \$10,000,000 shall be appropriated to fund Operation Safe House which is administered by the HUD inspector general, \$10,000,000 for administrative cost of the HUD inspector general associated with Operation Safe House, and \$20,000,000 for competitive grants under the New Approach Anti-Drug Program.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
[HOPE VI]

Appropriations, 1998	\$550,000,000
Budget estimate, 1999	550,000,000
Committee recommendation	600,000,000

PROGRAM DESCRIPTION

The "Revitalization of severely distressed public housing" account is intended to make awards to public housing authorities on a competitive basis to demolish obsolete failed developments or to revitalize, where appropriate, sites upon which these developments exist. This is a focused effort to eliminate public housing which was, in many cases, poorly located, ill-designed, and not well constructed. Such unsuitable housing has been very expensive to operate, and not possible to manage in a reasonable manner due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$600,000,000 for the "HOPE VI" account, \$50,000,000 more than the budget request and last year's level. The Committee urges the Department to continue funding innovative projects that work both as public and mixed-income housing as well as building blocks to revitalizing neighborhoods.

The Committee is very pleased with the leadership of the HOPE VI office. Nevertheless, the HOPE VI Program is a complex program that is an important building block for the economic redevelopment of communities. The Committee urges HUD to ensure that

this office has the necessary staffing and expertise to ensure the success of this program.

NATIVE AMERICAN HOUSING BLOCK GRANT

Appropriations, 1998	\$600,000,000
Budget estimate, 1999	600,000,000
Committee recommendation	600,000,000

PROGRAM DESCRIPTION

This account funds the native American housing block grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address the housing needs within their communities. Under this block grant, Indian tribes will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan. In addition, all obligated and unobligated balances for Indian tribes from the annual contributions, development of additional new subsidized housing, preserving existing housing investment, HOME investment partnerships program, emergency shelter grants, and homeless assistance grants are transferred to this account.

COMMITTEE RECOMMENDATION

The Committee recommends \$600,000,000 for the native American housing block grant, of which \$6,000,000 is set aside for a credit subsidy for a demonstration of the section 601 Loan Guarantee Program. The Committee recommendation is the same as the budget request.

The Committee remains concerned about the implementation by the administration of the native American housing block grant and the potential risk of problems within such a new and complex program. The Committee requests that HUD report to the Committee every 6 months beginning on June 1, 1999, with an evaluation, including recommendations, of the status of the native American housing block grant.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

Appropriations, 1998	\$5,000,000
Budget estimate, 1999	6,000,000
Committee recommendation	6,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique status of Indian trust land. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,000,000 in program subsidies to support a loan guarantee level of \$68,881,000. This is \$1,000,000 more than the fiscal year 1998 appropriation and the same as the fiscal year 1999 budget request. The Committee requests HUD to provide a status report on the program by June 1, 1999, assessing the success of the program in providing homeownership opportunities for native Americans, a breakdown on the use of the program by State and tribal area, and recommendations for program improvement.

OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriations, 1998 .....	.....
Budget estimate, 1999 .....	.....
Committee recommendation	\$35,000,000

PROGRAM DESCRIPTION

The Committee is concerned about the level of resources provided to rural communities and, therefore, is establishing an Office of Rural Housing and Economic Development within the Office of Housing to administer rural housing and economic development programs.

COMMITTEE RECOMMENDATION

The Committee recommends that the new Office of Rural Housing and Economic Development be funded at \$35,000,000 for fiscal year 1999 to support housing and economic development in rural communities as defined by USDA and HUD. The Committee recognizes that many of the most creative and innovative approaches to community development and economic revitalization in urban and suburban areas have been generated by nonprofit and community development corporations. While such entities exist in rural America, they are not widespread and do not have access to the same level of resources. The amount of \$10,000,000 is intended to be used to establish a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization. Of this, \$8,000,000 shall be provided directly to local rural nonprofits and community development corporations to support capacity building and technical assistance. This funding should be distributed by HUD to the grantees by June 1, 1999, in consultation with USDA. The amount of \$5,000,000 is directed to be used to provide seed support for nonprofits or community development corporations in States which have limited capacity in rural areas. HUD shall work with the USDA and the Housing Assistance Council to determine those areas.

The Committee directs the remaining \$20,000,000 to be awarded to State housing finance agencies to support innovative community development initiatives in rural communities. Examples of innovative approaches would include participation by new entities in the community, support of self-sufficiency strategies, and expansion of housing and employment opportunities. To the degree possible, funds should also be leveraged with other loan and grant resources from USDA, HUD, or other agencies. These funds principally are

intended to be used for capital construction and development. These funds should be provided directly by the State housing finance agencies to the nonprofits or communities and be allocated by HUD by June 1, 1999. Up to 10 percent of this fund may be used for technical assistance or administrative costs incurred by the grantees.

This office is not intended to duplicate in any way the activities performed by the USDA Rural Housing Service, the USDA Office of Community Development, or any other agency or office of the rural development mission area at the Department of Agriculture. HUD should cooperate and collaborate wherever possible with rural development at the USDA and is directed to enter into a memorandum of understanding with the USDA to ensure continuity of Federal housing, community development, and economic development policy for rural areas. The Committee recognizes that the USDA is the lead Federal department for rural issues, including housing and rural development, and expects HUD to look to the USDA for leadership with regard to rural policy issues.

In addition, the Committee directs the Office of Rural Housing and Economic Development to evaluate the use of HOME and CDBG funds in nonentitlement communities and ensure that small rural communities are getting equal access to these programs. The Office of Rural Housing and Economic Development should consider whether any scoring or allocation formulas used to distribute HOME funds within a State are unfairly biased against rural communities. The Office of Rural Housing and Economic Development also is directed to evaluate the use of HUD's homeownership counseling funds in rural areas and make recommendations to ensure that these funds are equally accessible to rural communities.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Appropriations, 1998	\$4,675,000,000
Budget estimate, 1999	4,725,000,000
Committee recommendation	4,750,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Seventy percent of appropriated funds are distributed to en-

titlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes. Pursuant to the Cranston-Gonzalez National Affordable Housing Act, Indian tribes are eligible to receive 1 percent of the total CDBG appropriation, on a competitive basis.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,750,000,000 for the Community Development Block Grant [CDBG] Program in fiscal year 1999.

Set-asides under CDBG include \$67,000,000 for native Americans; \$60,000,000 for the Lead-Based Paint Hazard Reduction Program; \$3,000,000 for the Housing Assistance Council; \$1,800,000 for the Native American Indian Housing Council; \$25,000,000 for the National Community Development Initiative, with \$10,000,000 targeted to rural and tribal areas; \$40,000,000 for Youthbuild; \$7,000,000 for insular areas; and \$32,000,000 for section 107 grants, including \$6,500,000 for community development work study, \$10,000,000 for historically black colleges and universities, and \$3,000,000 for Hispanic-serving institutions.

In addition, this legislation includes a set-aside of \$85,000,000 within the CDBG program for the economic development initiative to finance efforts that promote economic and social revitalization.

At a minimum, the Secretary is directed to fund the following grants as part of the economic development initiative:

- \$2,500,000 for the University of Alaska Museum, Anchorage, AK;
- \$350,000 for the Noelwien Library in Fairbanks, AK;
- \$500,000 for the Homer Dock in Homer, AK;
- \$2,000,000 for the University of Missouri for the Center for Life Sciences;
- \$700,000 for the Little Sisters of the Poor in Kansas City, MO, for the renovation and reconstruction of affordable housing;
- \$350,000 for the Guadalupe Center in Kansas City, MO;
- \$1,000,000 for the Detroit Rescue Mission Ministries for infrastructure repairs;
- \$1,500,000 for Provo, UT, the revitalization of the historic downtown business center;
- \$500,000 for the Redevelopment Agency of Salt Lake City, UT, for the redevelopment of the Gateway District;
- \$500,000 for SHARE House to build a new nonmedical detoxification center in Missoula County, MT;
- \$1,000,000 for the city of Durango, CO, to develop the cultural arts complex of southwest Colorado;
- \$1,000,000 for the city of Aurora, CO, for the redevelopment of the Fitzsimons Army Base;
- \$600,000 for Bethune-Cookman College;
- \$1,000,000 for the city of Brookhaven, MS, for renovating historic Whitworth College buildings in Brookhaven, MS;
- \$500,000 for the city of Jackson, MS, for creating a youth entrepreneurship program;

\$250,000 for renovation, accessibility, and asbestos remediation for the Wellstone Neighborhood Center, Wellstone, MO;
 \$900,000 to support homeless initiatives, with \$300,000 for the Bond Center in Pine Lawn, MO; \$300,000 for the Kitchens in Springfield, MO; and \$300,000 for Rose Brooks in Kansas City, MO;
 \$1,000,000 for the construction of a science complex at Spelman College in Atlanta, GA;
 \$1,000,000 for Project Social Care in Brooklyn, NY;
 \$2,000,000 for the Hispanic Cultural Center in Albuquerque, NM;
 \$1,250,000 for the North Carolina State Museum of Natural Resources for the construction and installation of interactive natural history exhibits;
 \$900,000 for the city of Rockingham, NC, for a neighborhood level park;
 \$250,000 for Blue Ridge Community College, NC, for the Blue Ridge Environmental Training Center;
 \$250,000 for the Aycock recreational complex in Henderson, NC;
 \$250,000 for Edenton, NC, for waterfront renovation;
 \$2,000,000 for the Pacific Science Center in Seattle, WA;
 \$500,000 for the renovation of the opera house at Enosburg, Falls, Vt;
 \$1,000,000 for the King Urban Life Center in Buffalo, NY, for an early childhood school and community center;
 \$1,400,000 for Columbia University for its Audubon III project in New York City;
 \$1,500,000 for the restoration of Milo Creek in Kellogg and Wardner, ID;
 \$2,000,000 for Campbellsville University in Kentucky to implement a job training partnership;
 \$2,000,000 for Jarrell, TX, for a public park and a storm shelter;
 \$1,000,000 for a new science and mathematic facility at the University of Alabama in Tuscaloosa, AL;
 \$500,000 for Calhoun County Community College Advance Manufacturing Center in Decatur, AL;
 \$1,000,000 for the city of Huntsville for the development of the Center for Early Southern Life at Alabama Constitution Village;
 \$2,000,000 for Pittsburgh, PA, to redevelopment the Sun Co./LTV Steel site in Hazelwood, PA;
 \$250,000 for the development of a business development center and a job training center in the underserved communities of central and south Philadelphia;
 \$750,000 for Wilkes-Barre, PA, for a downtown revitalization project;
 \$1,200,000 for the development of the Riverbend Research and Training Park in Post Falls, ID;
 \$600,000 for Marguerite's Place, a shelter for battered women, in Nashua, NH;
 \$300,000 for Keystone Hall, a drug and rehabilitation Center in Nashua, NH;

\$100,000 for Southern New Hampshire Services for homeless outreach in Nashua, NH;

\$500,000 for the Chabot Observatory and Science Center in California;

\$250,000 for the city of Oceanside, CA, for activities associated with economic redevelopment;

\$250,000 for the Alameda County, CA, homeless base conversion;

\$500,000 for Golden Gate University, San Francisco, CA, for the Agricultural Business Resource Center project;

\$500,000 for San Bernardino International Airport in California for activities associated with the base conversion project;

\$500,000 to the city of Los Angeles, CA, for the activities associated with the economic redevelopment of Santa Barbara Plaza;

\$1,000,000 for the Lake Champlain Science Center in Vermont;

\$1,000,000 to the city of Barre, VT, for downtown development;

\$300,000 for Bennington, VT, for regional affordable housing;

\$200,000 for Burlington, VT, for a multigenerational center;

\$800,000 for work associated with the development of the Upper Mississippi River National Wildlife and Fish Refuge Interpretive Center in Dubuque, IA;

\$1,000,000 for the restoration of the Warrior Hotel in Sioux City, IA, to be used for adult day care and other direct services;

\$700,000 for revitalization in the Cedar Rapids, IA, southside neighborhood development project;

\$750,000 for the New Jersey Community Development Corp. to rehabilitate a site in Paterson, NJ, to establish an employment opportunity center;

\$750,000 for Cumberland County, NJ, for the city of Bridgeton redevelopment project;

\$500,000 for Covenant House to construct a residential and community service center in Newark, NJ;

\$500,000 for New Community Corp. to develop abandoned property in Newark, NJ;

\$2,500,000 for the construction of a science/computer teaching center at Wheeling Jesuit University in West Virginia;

\$2,000,000 for the work associated with the construction of the Community Resource Center at Kuhio Homes/Kuhio Park Terrace in Hawaii;

\$500,000 to the city of Ozark, AR, for the economic development of its downtown area;

\$500,000 to the Turtle Mountain Chippewa educational complex in North Dakota;

\$250,000 to the Atlantic Beach Community Development Corp. in Horry County, SC, for activities associated with economic development in Horry County;

\$250,000 to the School of Public Health at the University of South Carolina to consolidate its programs in a new central location;

\$1,500,000 to the city of Milwaukee for the second phase of the riverwalk development in Milwaukee's historic third ward;

\$1,000,000 to the city of Sioux Falls, SD, for the downtown restoration and redevelopment purposes;

\$400,000 to the Greater Huron Development Corp. for economic development efforts in the Huron, SD, community;

\$400,000 to the Northern Hills Community Development Corp. for economic development efforts in the Lead, South Dakota community;

\$350,000 to the city of Woonsocket, SD, for infrastructure improvements at the city's industrial park;

\$200,000 to the city of Mobridge, SD, for economic development expansion and development purposes;

\$200,000 to the Mitchell Economic Development Corp. to construct an access road and make improvements at the Railroad Industrial Park in Mitchell, SD;

\$500,000 for the restoration of the Boston Symphony Hall;

\$250,000 to the Antelope Valley for the redevelopment of east downtown Lincoln, NE;

\$250,000 for phase two of the Portland central city streetcar project in Portland, OR;

\$200,000 for development of biotechnology facility at the University of Connecticut;

\$200,000 to the Inner City Education and Recreation Foundation in Chicago, IL, to rehabilitate vacant inner city parcel;

\$200,000 for development efforts in the Scottsdale subdivision of Harvey, LA;

\$200,000 for development of the Wing Luke Museum in the international district of Seattle, WA;

\$100,000 for renovation and development of John Carroll University's Bohannon Science Center in Cleveland, OH;

\$100,000 to the Mountain Association for Community Economic Development for economic development activities in Kentucky;

\$250,000 to the Boys and Girls Club of Las Vegas, NV, for activities associated with the renovation and expansion of the existing education and recreation facility;

\$1,350,000 to Prince Georges County, MD, for work associated with the Manchester Square Redevelopment Project in Suitland, MD;

\$1,350,000 for economic development and revitalization in the southern Silver Spring business district;

\$1,500,000 to the Maryland Department of Housing and Community Development to establish a national Pediatric Functional Imaging Center, to serve as a job training site for individuals with neurological impairments, located in a federally designated empowerment zone;

\$100,000 to Payne Memorial Outreach, Inc. in Baltimore, MD, for economic development efforts related to the 1701 Madison Avenue Redevelopment Project; and

\$400,000 for Garret County, MD, for activities related to development activities associated with the Highview Apartments redevelopment project in Oakland, MD.

In addition, HUD is required to report on all projects funded under any EDI grants awarded independently by HUD, identifying the purpose of the project, the funding structure of the project, the economic impact and social utility of the project, and the lessons learned from the project that can be applied as a model throughout the country.

The Committee supports efforts by the University of San Francisco as it works to complete construction of its Center for International Business Education, which will serve as a national model program for training in environmental management, international commerce, and business ethics, and will provide both short- and long-term jobs and investment benefit.

The Committee notes that a project at the University of San Diego related to scientific education and outreach, is eligible for funding under the EDI program.

The Committee recognizes the importance of efforts by the city of San Francisco to revitalize Visitacion Valley with new affordable housing, combined with supportive services and onsite child care and senior centers. The Committee encourages HUD to provide funding to the city for the development of a senior center and four child care centers as an integral part of this revitalization effort.

In addition, \$29,000,000 is provided for the cost of guaranteed loans, as authorized under section 108 of the Housing and Community Development Act of 1974, to subsidize a total loan principal not to exceed \$1,261,000,000.

The Committee rejects the administration's proposal for funding of \$100,000,000 for a new initiative called regional connections. This proposal should be considered through the appropriate authorization committees of the House and Senate, not through the appropriations process. The broad language of this proposal provides HUD with virtually unfettered discretion to make grants and runs counter to the basic principle of the CDBG Program that States and localities are in the best position to make the decisions about State and local housing and community development issues.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 1998	\$1,500,000,000
Budget estimate, 1999	1,883,000,000
Committee recommendation	1,550,000,000

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and units of local government for the purpose of expanding the supply and affordability of housing. Eligible activities include tenant-based rental assistance, acquisition, and rehabilitation of affordable rental and ownership housing and, also, construction of housing. To participate in the HOME Program, State and local governments must develop a comprehensive housing affordability strategy [CHAS]. There is a 25-percent matching requirement for participating jurisdictions which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,550,000,000 for the HOME Investment Partnership Program. This amount is \$50,000,000 more than the 1998 appropriation and \$333,000,000 less than the budget request.

The Committee rejects the administration's proposal to merge the section 202 Elderly Housing Program and section 811 Disabled Housing Program into the HOME Program. At the same time, the administration's proposal would reduce sharply the available funding in the HOME Program for the section 202 program from the current level of \$645,000,000 for the existing section 202 program to \$109,000,000, and provide \$50,000,000 for elderly vouchers. The Committee strongly supports both the section 202 Elderly Housing Program and the section 811 program as independent programs. There is no rational justification for merging the section 202 program into the HOME Program. Not only is the section 202 program extremely successful and critically needed, a recent GAO report indicated that the HOME Program has provided few elderly housing units since enactment.

In particular, from fiscal year 1992 through fiscal year 1996, over 1,400 section 202 projects were developed with some 52,000 rental units for over 47,800 elderly individuals. During the same period of time, the HOME Program produced 30 elderly housing projects with 681 units which serve some 675 elderly individuals.

In addition, while vouchers are a very important housing tool, the elderly deserve to have decent, safe, and affordable housing designed to meet specific needs of the elderly as well as needed supportive services. Section 202 elderly housing accomplishes these purposes; vouchers do not.

HOMELESS ASSISTANCE

HOMELESS ASSISTANCE GRANTS

Appropriations, 1998	\$823,000,000
Budget estimate, 1999	1,150,000,000
Committee recommendation	1,000,000,000

PROGRAM DESCRIPTION

The "Homeless Assistance Grants Program" account is intended to fund the emergency shelter grants program, the supportive housing program, the section 8 moderate rehabilitation single-room occupancy program, and the shelter plus care program.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000,000 for homeless assistance grants. The amount recommended is \$177,000,000 more than the fiscal year 1998 level and \$150,000,000 less than the budget request for fiscal year 1999. The Committee is concerned about the funding structure of the McKinney homeless assistance grants programs and the overall direction of HUD's administration of the program. The Committee believes that there is a need for a strong continuum of care approach which results in permanent and stable housing, not a revolving door. There is a particular need to stabilize homeless persons with mental disabilities to avoid this re-

volving door syndrome as well the destabilizing impact this population can have on the effectiveness of local continuum of care strategies. Therefore, the Committee is recommending a requirement that 30 percent of funds be allocated to permanent housing.

The Committee believes that a significant portion of these permanent housing funds should be targeted primarily to persons with mental disabilities as an important step to a permanent solution by providing these persons with stable housing and needed supportive services. Research now shows that chronically homeless, chronically disabled individuals, and families receive housing primarily through regular, long-term use of the emergency shelter system. This interferes with their treatment regimen resulting in costly hospital and jail stays. It also clogs the emergency system with permanent users, reducing its ability to address the more temporary problems of families and individuals who are homeless because of an economic crisis.

The Committee believes that Federal homeless funding should be adjusted to focus an appropriate portion of resources on providing permanent supportive housing for chronically disabled, chronically homeless people, who cannot expect to be housed by any other system. This will not only improve outcomes for this most needy sub-population, but will free the emergency system to successfully help people who are experiencing an economic crisis.

In addition, there would be a new 25-percent match requirement for services, thus expanding resources and establishing a balance between homeless services and the development of transitional and permanent housing.

The Committee is concerned over questions about the current adequacy of funding for the Homeless Assistance Grants Program. The Committee expects HUD to provide a full accounting of the program to the Appropriations Committee by May 1, 1999, including trends in the costs and activities associated with the homeless, as well as an analysis of the success of the various strategies for a continuum of care and transition to permanent housing.

The Committee is concerned that the large number of new and renewal applications in the 1997 homeless super NOFA competition left many existing homeless assistance initiatives unfunded, creating serious gaps in the homeless safety net in affected areas. The Committee urges HUD to give special consideration in the 1998 grant competition to initiatives in communities whose programs were disproportionately impacted by last year's competition.

The Committee also believes that the Department of Health and Human Services should be actively involved in working with HUD on the issue of provision of services to the homeless. The Committee urges HUD to work with HHS through the Interagency Council on the Homeless to find an appropriate balance between each Department's responsibilities in the provision of shelter, housing, and services for the homeless.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 1998	\$204,000,000
Budget estimate, 1999	225,000,000
Committee recommendation	225,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons with AIDS [HOPWA] Program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons living with HIV/AIDS and their families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$225,000,000 for this program, an increase of \$21,000,000 over the fiscal year 1998 level and the same as the budget request. The Committee remains deeply concerned about the growing costs of this program, especially compared with the funding levels of other housing programs and the overall housing needs of low-income families. HUD, therefore, is requested to submit to the Appropriations Subcommittee on VA, HUD, and Independent Agencies no later than January 15, 1999, a review of the program, including the costs and location of each project, including all component costs associated with bricks and mortar, supportive services, and administrative costs. HUD also is requested to submit legislative and administrative reforms designed to cap the costs of the program at the current level.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriations, 1998	\$839,000,000
Budget estimate, 1999	
Committee recommendation	870,000,000

PROGRAM DESCRIPTION

This account consolidates the housing for the elderly under section 202; housing for the disabled under section 811; and public housing for Indian families. Under these programs the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing. Twenty-five percent of the funding provided for housing for the disabled is available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$870,000,000 for development of additional new subsidized housing. Included in this recommendation is \$676,000,000 for capital advances for housing for the elderly and \$194,000,000 for capital advances for housing for the disabled. These amounts will maintain the current fiscal year levels of subsidized housing production for the section 811 program and increase the section 202 elderly housing program by \$31,000,000. Up to 25 percent of the funding allocated for housing for the disabled can be used to fund section 8 assistance for the disabled.

As discussed under the "HOME Investment Partnership Program" account, the Committee rejected a proposal to merge the section 202 Elderly Housing Program and the section 811 Disabled Housing Program into the HOME Program. More importantly, the

Committee strongly supports these programs and opposes the administration's proposal to slash the funding for the section 202 program from \$645,000,000 level for fiscal year 1998 to \$109,000,000 and \$50,000,000 for elderly vouchers in fiscal year 1999. This is a cut of over 83 percent in funding and will mean a reduction from building some 6,000 units with fiscal year 1998 funding to building only 1,500 units with the President's proposed fiscal year 1999 funding.

In particular, the Committee believes that the section 202 Elderly Housing Program is the most important housing program for elderly, low-income Americans, providing both affordable, low-income housing and supportive services designed to meet the special needs of the elderly. This combination of supportive services and affordable housing is critical to promoting independent living, self-sufficiency, and dignity while delaying the more costly alternative of institutional care.

Since the inception of the program in 1959, the section 202 Elderly Housing Program has funded some 5,400 elderly housing projects with over 330,000 units. Nevertheless, by the Department of Housing and Urban Development's own estimates, there are over 1,400,000 elderly families currently identified as having worst case housing needs and in need of affordable housing.

Despite the need for and the success of the section 202 Elderly Housing Program, the administration proposes to decrease sharply funding for this program from \$645,000,000 in fiscal year 1998 to \$109,000,000 in fiscal year 1999. We cannot afford this critical loss of housing.

The Committee is concerned with the state of elderly housing, especially in light of departmental requests for reduced funding. The Committee directs HUD to report on the unmet need for elderly housing in the country, and the physical condition of existing elderly housing. HUD's report should also include information on what HUD can do to encourage new and innovative approaches to providing elderly housing that may reduce costs and increase efficiency. This may include approaches such as providing continuum of care service at residents' housing by facilitating onsite care by service providers.

The Committee directs HUD to include in the report what HUD can do to create new partnerships with private industry, non-profits, and other Federal agencies to create a more efficient and effective delivery of a continuum of care to residents in a way that will improve their living conditions. The report should also address what can be done to assist effectively those residents who are aging in place in older section 202 buildings. The report is due to the VA-HUD and Independent Agencies Appropriations Subcommittee by February 1, 1999.

Because of the Committee's concern with the delay in addressing these issues, HUD is directed to provide \$1,000,000 to the Maryland Department of Housing and Community Development for work associated with the building of Caritas House and expansion of the St. Ann Adult Medical Day Care facility. HUD's report on new ideas for addressing aging in place issues should study the Catholic Charities Senior Life Services' Jenkins Community approach as a model for providing affordable assisted living and a

continuum of care management blending acute care, long-term care, housing, and supportive services.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses
Appropriations, 1998	\$200,000,000	\$110,000,000,000	\$338,421,000
Budget estimate, 1999	50,000,000	110,000,000,000	328,888,000
Committee recommendation	200,000,000	110,000,000,000	328,888,000

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 1998	\$120,000,000	\$17,400,000,000	\$222,305,000	\$81,000,000
Budget estimate, 1999	50,000,000	18,100,000,000	221,455,000	81,000,000
Committee recommendation	120,000,000	18,100,000,000	211,455,000	81,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of about 40 HUD mortgage/loan insurance programs which are grouped into the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance fund [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds, which are partially composed of subsidized programs, make up the other.

The amounts for administrative expenses are to be transferred from the FHA program accounts to the HUD "Salaries and expenses" accounts.

Language is proposed to provide a commitment limitation amounting to \$110,000,000,000 in the "MMI/CMHI" account and \$17,400,000,000 in the "GI/SRI" account.

COMMITTEE RECOMMENDATION

The Committee has included the requested amounts for the "Mutual Mortgage Insurance Program" account: a limitation on guaranteed loans of \$110,000,000,000, a limitation on direct loans of \$100,000,000, and an appropriation of \$328,888,000 for administrative expenses. For the GI/SRI account, the Committee recommends \$18,100,000,000 as a limitation on guaranteed loans, a limitation on direct loans of \$120,000,000, and \$211,455,000 for administra-

tive expenses. The administrative expenses appropriation will be transferred and merged with the sums in the Department's "Salaries and expenses" account.

In addition, the Committee directs HUD to continue direct loan programs in 1999 for multifamily bridge loans and single family purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing would be provided for the acquisition and rehabilitation of multifamily projects by purchasers who have obtained commitments for permanent financing from another lender. Purchase money mortgages would enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

The administration has proposed both new regulations and new legislation to allow bulk sales of foreclosed property and to reauthorize the assignments of single-family notes for auction. The Committee agrees that the FHA property disposition process needs improvement; private sector companies manage and dispose of large portfolios of real estate-owned properties much more effectively and economically. The Committee urges the Department to adopt some of these practices, subject to additional consultation with the Congress. Moreover, the Committee directs the Department not to move forward with bulk sales without further consultation with the Congress. The Committee is very concerned that bulk sales of properties could reduce the returns to the FHA fund compared to other reforms that would improve the management of this portfolio. Moreover, the Committee believes that disposition of foreclosed properties in certain neighborhoods where FHA foreclosures may be concentrated may need to be done in partnerships with community-based nonprofits, where feasible, as a way to enhance these communities rather than having these communities risk further distress.

The bill contains a provision that would provide modest increases in the FHA mortgage insurance limits, raising the floor from 38 percent of the Freddie Mac conforming loan limit, or some \$86,000, to 48 percent of the conforming loan limit, or some \$109,000, and establishing a new ceiling for high cost areas from the existing 75 percent of the conforming loan limit, or some \$170,000, to 87 percent of the conforming loan limit, or some \$197,000. While this provision is controversial, the Committee is seeking to strike a reasonable balance to promote additional homeownership. In particular, these new FHA mortgage insurance limits will help in nonurban areas where the price of new housing has escalated beyond the capacity of first-time homebuyers to use FHA mortgage insurance to buy a house. In some areas, because of the FHA lower limits, financing is not available for construction of first homes for families of workers with lower wages. Because of the high cost of constructing and purchasing homes in Alaska and Hawaii, the Committee expects HUD to make appropriate adjustments to the FHA single family mortgage insurance limits in those States.

Nevertheless, the Committee remains concerned about HUD's capacity to manage the FHA mortgage insurance programs and the potential exposure of the Federal Government if there is an economic downturn. The Committee directs HUD to contract every 3 years with a different auditor for the annual actuarial review of the

mutual mortgage insurance fund. HUD is directed to contract with a new auditor, other than Price Waterhouse, beginning in fiscal year 1999. The Committee also, in conjunction with the authorizing committees, will be looking for additional ways to ensure the solvency of the mutual mortgage insurance fund. The Committee requests that GAO review whether differences between the requirements of the FHA mortgage insurance programs and those of the private mortgage insurance marketplace have resulted in the steering of home purchasers to FHA programs.

The Committee is concerned that the Department has invested considerable time and resources in developing a policy statement that would clarify the Department's position on lender payments mortgage broker fees and their legality under the Real Estate Settlement Procedures Act. Publishing a policy statement could provide invaluable guidance to consumers, brokers, and the courts. The Committee is concerned about the legal uncertainty that continues absent such a policy statement. The Committee directs the Department to publish a policy statement to clarify its position on lender payments to mortgage brokers as soon as practicable. The Committee expects HUD to work with representatives of industry and all other interested parties on this policy statement.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
GUARANTEES OF MORTGAGE-BACKED SECURITIES
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998:	
Limitation on guaranteed loans	\$130,000,000,000
Administrative expenses	9,383,000
Budget estimate, 1999:	
Limitation on guaranteed loans	150,000,000,000
Administrative expenses	9,383,000
Committee recommendation:	
Limitation on guaranteed loans	150,000,000,000
Administrative expenses	9,383,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [GNMA], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of mortgages. GNMA is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. GNMA is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the Federal Housing Administration, the Farmers Home Administration, or the Department of Veterans Affairs. GNMA's guarantee of mortgage-backed securities is backed by the full faith and credit of the United States.

In accord with the Omnibus Budget Reconciliation Act of 1990 [OBRA] requirements for direct and guaranteed loan programs, the administration is requesting \$9,383,000 for administrative expenses in the mortgage-backed securities program. Amounts to

fund this direct appropriation to the “MBS program” account are to be derived from offsetting receipts transferred from the “Mortgage-backed securities financing” account to a Treasury receipt account.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments of mortgage-backed securities of \$150,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included \$9,383,000 for administrative expenses, the same as the budget request.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 1998	\$36,500,000
Budget estimate, 1999	50,000,000
Committee recommendation	36,500,000

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, studies, and reports relating to the Department’s mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs focus on ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends \$36,500,000 for research and technology activities in fiscal year 1999. This amount is the same as the 1998 level but is \$13,500,000 less than the budget request. In addition, because HUD has used this office’s broad authority to administer new and unauthorized programs, this office is denied demonstration authority except where approval is provided by Congress in response to a reprogramming request.

The Committee is aware that access to quality and cost-effective primary and preventive health care is an essential component of public housing residents making the transfer from welfare to work. From within the funds provided, the Committee urges the Department to collaborate with Swope Parkway Health Center in Kansas City and other community health centers that have successfully developed systems of urban community health care to demonstrate and evaluate health care service delivery models which address this critical need.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 1998	\$30,000,000
Budget estimate, 1999	52,000,000
Committee recommendation	35,000,000

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$35,000,000, of which \$20,000,000 is for the fair housing assistance program [FHAP] and no more than \$15,000,000 is for the fair housing initiatives program [FHIP].

The Committee is concerned that State and local agencies under FHAP should have the primary responsibility for identifying and addressing discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. It is critical that consistent fair housing policies be identified and implemented to insure continuity and fairness, and that States and localities continue to grow their understanding, expertise, and implementation of the law.

HUD is directed to develop policy guidelines on all aspects of fair housing policy by August 1, 1999. These policy guidelines shall be developed in conjunction with the Congress, and the public through public hearings. Before the guidelines are published, HUD shall submit the proposed guidelines for comment and review to all committees of jurisdiction, including the Committees on Appropriations.

In addition, the Committee remains concerned that the HUD Office of Fair Housing and Equal Opportunity continues to pursue regulatory authority over the property insurance industry through the Fair Housing Act. While HUD has indicated that it does not intend to focus its regulatory authority over the property insurance requirements, the Committee reminds the Department that the McCarran-Ferguson Act of 1945 explicitly states that, "unless a

Federal law specifically relates to the business of insurance, that law shall not apply where it would interfere with State insurance regulation.” HUD assertion of authority regarding property insurance regulation contradicts this statutory mandate.

Moreover, HUD’s insurance-related activities duplicate State regulation of insurance. Every State and the District of Columbia have laws and regulations addressing unfair discrimination in property insurance and are actively investigating and addressing discrimination where it is found to occur. HUD’s activities in this area create an unwarranted and unnecessary layer of Federal bureaucracy.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

	Appropriation	FHA funds by transfer	GNMA funds by transfer	CGDB funds by transfer	Total
Appropriations, 1998	\$446,000,000	\$544,443,000	\$9,383,000	\$1,000,000	\$1,000,826,000
Budget estimate, 1999	471,843,000	518,000,000	9,383,000	1,000,000	1,000,826,000
Committee recommendation	471,843,000	518,000,000	9,383,000	1,000,000	1,000,826,000

PROGRAM DESCRIPTION

The recommendation includes a single “Salaries and expenses” account to finance all salaries and related expenses associated with administering the programs of the Department of Housing and Urban Development. These include the following activities:

Housing and mortgage credit programs.—This activity includes staff salaries and related expenses associated with administering housing programs, the implementation of consumer protection activities in the areas of interstate land sales, mobile home construction and safety, and real estate settlement procedures.

Community planning and development programs.—Funds in this activity are for staff salaries and expenses necessary to administer community planning and development programs.

Equal opportunity and research programs.—This activity includes salaries and related expenses associated with implementing equal opportunity programs in housing and employment as required by law and Executive orders and the administration of research programs and demonstrations.

Departmental management, legal, and audit services.—This activity includes a variety of general functions required for the Department’s overall administration and management. These include the Office of the Secretary, Office of General Counsel, Office of Chief Financial Officer, as well as administrative support in such areas as accounting, personnel management, contracting and procurement, and office services.

Field direction and administration.—This activity includes salaries and expenses for the regional administrators, area office managers, and their staff who are responsible for the direction, supervision, and performance of the Department’s field offices, as well as administration support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,000,826,000 for salaries and expenses. This amount is the same as the fiscal year 1998 appropriation and the budget request. The appropriation includes the requested amount of \$518,000,000 transferred from various funds from the Federal Housing Administration, \$9,383,000 transferred from the Government National Mortgage Association, \$1,000,000 from the community development appropriation, \$200,000 from title VI, and \$400,000 from the native American housing block grant.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees.

The Committee is concerned that HUD's request for salaries and expenses do not reflect the Secretary's commitment to and implementation of downsizing at the Department, as already implemented and as proposed in the HUD 2020 management reform plan. The Committee directs HUD to submit to the Committee by April 15, 1999, an analysis of the HUD budget request for salaries and expenses for fiscal year 1999, including all projected savings from the Secretary's reform efforts. The report should include a breakdown of all salaries and expenses in a review of staffing and staffing costs by program, office, and grade, including all staffing costs in the field. All expenses, other than staffing costs, within this account also should be clearly identified.

OFFICE OF INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Drug elimination grants transfer	Total
Appropriations, 1998	\$40,567,000	\$16,283,000	\$10,000,000	\$66,850,000
Budget estimate, 1999	34,507,000	22,343,000	10,000,000	66,850,000
Committee recommendation	34,507,000	22,343,000	10,000,000	66,850,000

PROGRAM DESCRIPTION

This appropriation would finance all salaries and related expenses associated with the operation of the Office of the Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends a funding level of \$30,507,000 for the Office of Inspector General. This amount is the same as the 1998 level and \$6,060,000 more than the budget request. This funding level includes \$22,343,000 by transfer from various FHA funds and \$10,000,000 from drug elimination grants, the same level as proposed in the budget request.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$16,000,000
Budget estimate, 1999	16,551,000
Committee recommendation	16,000,000

PROGRAM DESCRIPTION

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 [GSE's], the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

COMMITTEE RECOMMENDATION

The Committee recommends \$16,000,000 for the Office of Federal Housing Enterprise Oversight, which is \$551,000 less than the budget request. The Committee remains concerned that OFHEO is long overdue in developing risk-based capital standards for the GSE's, as required by the Housing and Community Development Act of 1992.

ADMINISTRATIVE PROVISIONS

SEC. 201. *Extenders*. Provides a number of public housing and section 8 reforms carried over from the VA/HUD appropriations bills for fiscal year 1998.

SEC. 202. *Financing adjustment factors*. Provides an incentive for refinancing projects financed with FAF bonds to lower the cost of section 8 assistance.

SEC. 203. *Fair housing and free speech*. Prohibits prosecution of persons under the Fair Housing Act where person is engaged in lawful activity.

SEC. 204. *HUD public notice and comment rulemaking*. Requires HUD to maintain public notice and comment rulemaking. HUD is directed to use notice and comment rulemaking for all significant policy changes in HUD notices of funding availability.

SEC. 205. *Brownfields as eligible CDBG activity*. Makes activities related to brownfields cleanup an eligible activity under CDBG.

SEC. 206. *Rehabilitation grants*. Provides HUD flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties. Nevertheless, the Committee is concerned about accountability in making rehabilitation grants and loans from the general and special risk insurance funds. HUD, therefore, is directed to report to the Committee on January 15, 1999, and August 15, 1999, on all rehabilitation grants and loans made under this authority, including a description of the requirements and criteria of each grant. It is expected that HUD is exer-

cising this authority according to written guidelines or regulations in the Federal Register.

SEC. 207. *HUD rent reform*. Provides flexible use of funding with section 236 projects.

SEC. 208. *HOPWA grants*. Technical correction to HOPWA.

SEC. 209. *Partial payment of claims on health care facilities*. Permits partial payment of claims on hospitals and health care facilities.

SEC. 210. *FHA multifamily mortgage credit demonstrations*. Extends HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1999.

SEC. 211. *Calculation of FHA downpayment*. Extends for 2 years the FHA single family streamlined downpayment program nationwide.

SEC. 212. *State CDBG IDIS funding*. Provides funding for IDIS implementation.

SEC. 213. *Nursing home lease terms*. Technical correction.

SEC. 214. *Empowerment zone criteria*. Prohibits the use of grant funds in an empowerment zone as a criteria in awarding grants.

SEC. 215. *Grant announcements*. Requires HUD to notify the Committees on Appropriations of all grant awards at least 24 hours before public or private announcement.

SEC. 216. *Emergency CDBG*. Technical correction.

SEC. 217. *Account transition*. Requires HUD to hold all program recaptures subject to reprogramming.

SEC. 218. *Prohibition on university funding*. Prohibits HUD from paying university tuition for community builders.

SEC. 219. *FHA single family mortgage insurance limits reforms*. Increases the FHA mortgage insurance limits, raising the floor from 38 percent of the Freddie Mac conforming loan limit, or some \$86,000, to 48 percent of the conforming loan limit, or some \$109,000, and establishes a new ceiling for high cost areas from the existing 75 percent of the conforming loan limit, or some \$170,000, to 87 percent of the conforming loan limit, or some \$197,000.

SEC. 220. *Use of HOME funds for public housing modernization*. Provides funding flexibility for a project in Bismark, ND.

SEC. 221. *CDBG and HOME exemption*. Provides funding flexibility for a project in Oxnard, CA.

TITLE III—INDEPENDENT AGENCIES
 AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 1998	\$26,897,000
Budget estimate, 1999	23,931,000
Committee recommendation	26,931,000

PROGRAM DESCRIPTION

The American Battle Monuments Commission [ABMC] is responsible for the maintenance and construction of U.S. monuments and memorials commemorating the achievements in battle of our Armed Forces since April 1917; for controlling the erection of monuments and markers by U.S. citizens and organizations in foreign countries; and for the design, construction, and maintenance of permanent military cemetery memorials in foreign countries. The Commission maintains 24 military cemetery memorials on foreign soil; 17 monuments and memorials not a part of the cemeteries; and 4 bronze tablets. In addition, the Commission administers four large memorials on U.S. soil. It is presently charged with erecting a Korean and a World War II war veterans memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,931,000 for the American Battle Monuments Commission, which is \$3,000,000 over the administration's request and \$34,000 over the fiscal year 1998 level. This includes \$2,500,000 for renovation of the Liberty Memorial Monument.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriations, 1998	\$4,000,000
Budget estimate, 1999	7,000,000
Committee recommendation	6,500,000

PROGRAM DESCRIPTION

The Chemical Safety and Hazard Investigation Board was authorized by the Clean Air Act Amendments of 1990 to investigate accidental releases of certain chemical substances resulting in serious injury, death, or substantial property damage. It became operational in fiscal year 1998.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,500,000 for the Chemical Safety and Hazard Investigation Board, an increase of \$2,500,000 above the fiscal year 1998 level and a decrease of \$500,000 below the budget request.

The Committee is concerned that the Board's budget request is not adequately justified, particularly with respect to the projected average annual salary costs. Fiscal responsibility and accountability should be of paramount importance as the Board becomes fully operational. The Committee expects the Board not to allow operational costs to become excessive over the next few years and to make careful, deliberate decisions with respect to the growth and expansion of both operations and staff. The General Accounting Office is to conduct an annual review of the Board's operations and report to the Committee by April 1, 1999, on the implementation and effectiveness of the Board in carrying out its mission.

The Committee has included bill language limiting the number of career senior executive service positions to three.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriations, 1998	\$80,000,000
Budget estimate, 1999	125,000,000
Committee recommendation	55,000,000

PROGRAM DESCRIPTION

The community development financial institutions [CDFI] fund would provide 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 microloan funds. Recipient institutions would be required to support mortgage, small business, and economic development lending in currently underserved, distressed neighborhoods.

COMMITTEE RECOMMENDATION

The Committee recommends \$55,000,000 because of accountability concerns raised in hearings held by the Senate Banking Committee.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 1998	\$45,000,000
Budget estimate, 1999	46,500,000
Committee recommendation	46,500,000

PROGRAM DESCRIPTION

The Commission is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the

public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the Commission establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

COMMITTEE RECOMMENDATION

The Committee recommends \$46,500,000 for the Consumer Product Safety Commission, the same as the budget estimate and \$1,500,000 above the current level.

The Committee recognizes CPSC's need for additional resources for information technology, including updating the agency's network system and establishing an integrated information system; and replacing and upgrading equipment and software, including network hardware and servers, and adding increased storage capability. Unfortunately, the subcommittee allocation precluded providing additional funds above the administration request to meet this need. Therefore, all efforts should be made to fund such activities through reprogrammings from lower priority areas.

The Committee is aware of the Commission's advanced notice of proposed rulemaking regarding a fire safety standard for residential furniture. The Committee strongly encourages the Commission to study thoroughly the potential health effects, including the carcinogenicity, neurotoxicity, mutagenicity, and any other chronic and acute effects upon individuals, especially infants and children, exposed to the chemical treatment of fabrics before issuing a final rule.

The Committee congratulates CPSC on its role in developing mandatory and voluntary crib safety standards. However, deaths from cribs still exceed all other nursery products combined. Over 9,000 children are injured in cribs every year seriously enough to require hospital treatment. In the past 10 years, over 550 children died from crib injuries. One problem is that safety standards that apply to manufacturers are not enforced for cribs sold in secondary markets such as thrift stores and resale furniture stores. The Committee encourages CPSC to develop an annual public awareness campaign to educate both retailers and consumers on the consequences of selling and purchasing unsafe cribs.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

Appropriations, 1998	\$425,500,000
Budget estimate, 1999	499,316,000
Committee recommendation	425,500,000

PROGRAM DESCRIPTION

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 (Public Law 103-82) to enhance opportunities for national and community service and provide national service 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.

The Corporation is governed by a board of directors and headed by the Chief Executive Officer of the Corporation. Board members and the Chief Executive Officer of the Corporation are appointed by the President of the United States and confirmed by the Senate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$425,500,000 for the Corporation for National and Community Service. Of this amount, \$70,000,000 is for educational awards; \$227,000,000 is for grants under the National Service Trust, including the AmeriCorps program; \$5,500,000 is for the Points of Light Foundation; \$18,000,000 is for the Civilian Community Corps; \$43,000,000 is available for school-based and community-based service-learning programs; \$30,000,000 is for quality and innovation activities; \$27,000,000 is for administrative expenses; and \$5,000,000 is for audits and other evaluations. The total amount appropriated and each of the program earmarks are identical to the level appropriated for fiscal year 1998. The Committee strongly supports the Corporation's literacy and mentoring efforts.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1998	\$3,000,000
Budget estimate, 1999	3,000,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The Office of Inspector General within the Corporation for National and Community Service is authorized by the Inspector General Act of 1978, as amended. The goals of the Office are to increase organizational efficiency and effectiveness and to prevent fraud, waste, and abuse. The Office of Inspector General within the

Corporation for National and Community Service was transferred to the Corporation from the former ACTION agency when ACTION was abolished and merged into the Corporation in April 1994.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,000,000 for the Office of Inspector General. This is the same as the amount appropriated for this Office in fiscal year 1998 and the budget request.

U.S. COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriations, 1998	\$9,319,000
Budget estimate, 1999	10,195,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The Court of Veterans Appeals was established by the Veterans' Judicial Review Act. The court has exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. It has the authority to decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions, and determine the meaning or applicability of the terms of an action by the Department of Veterans Affairs. It is authorized to compel action by the Department unlawfully withheld or unreasonably delayed. It is authorized to hold unlawful and set-aside decisions, findings, conclusions, rules and regulations issued or adopted by the Department of Veterans Affairs or the Board of Veterans' Appeals.

COMMITTEE RECOMMENDATION

The Committee recommends \$10,000,000 for the Court of Veterans Appeals, a decrease of \$195,000 below the budget estimate and an increase of \$681,000 above the 1998 level. The recommendation includes \$865,000 for the pro bono representation program, and assumes no increase in Court of Veterans Appeals staffing.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 1998	\$11,815,000
Budget estimate, 1999	11,666,000
Committee recommendation	11,666,000

PROGRAM DESCRIPTION

Responsibility for the operation of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery is vested in the Secretary of the Army. As of September 30, 1997, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 266,351 persons and comprised a total of approximately 628 acres. There were 3,525 interments and 2,000 inurn-

ments in fiscal year 1997; 3,500 interments and 2,000 inurnments are estimated for the current fiscal year; and 3,600 interments and 2,100 inurnments are estimated for fiscal year 1999.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$11,666,000 for the Army's cemeterial expenses. This amount is \$149,000 below the 1998 enacted level.

ENVIRONMENTAL PROTECTION AGENCY

Appropriations, 1998	\$7,363,046,000
Budget estimate, 1999	7,795,275,000
Committee recommendation	7,413,062,000

GENERAL DESCRIPTION

The Environmental Protection Agency [EPA] was created through Executive Reorganization Plan No. 3 of 1970 designed to consolidate certain Federal Government environmental activities into a single agency. The plan was submitted by the President to the Congress on July 8, 1970, and the Agency was established as an independent agency in the executive branch on December 2, 1970, by consolidating 15 components from 5 departments and independent agencies.

A description of EPA's pollution control programs by media follows:

Air.—The Clean Air Act Amendments [CAA] of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

Water quality.—The Clean Water Act [CWA], as amended in 1977, 1981, and 1987, provides the framework for protection of the Nation's surface waters. The law recognizes that it is the primary responsibility of the States to prevent, reduce, and eliminate water pollution. The States determine the desired uses for their waters, set standards, identify current uses and, where uses are being impaired or threatened, develop plans for the protection or restoration of the designated use. They implement the plans through control programs such as permitting and enforcement, construction of municipal waste water treatment works, and nonpoint source control practices. The CWA also regulates discharge of dredge or fill material into waters of the United States, including wetlands.

Drinking water.—The Safe Drinking Water Act [SDWA] of 1974, as amended in 1996, charges EPA with the responsibility of implementing a program to assure that the Nation's public drinking water supplies are free of contamination that may pose a human health risk, and to protect and prevent the endangerment of ground water resources which serve as drinking water supplies.

Hazardous waste.—The Resource Conservation and Recovery Act of 1976 [RCRA] mandated EPA to develop a regulatory program to protect human health and the environment from improper hazardous waste disposal practices. The RCRA Program manages hazardous wastes from generation through disposal.

EPA's responsibilities and authorities to manage hazardous waste were greatly expanded under the Hazardous and Solid

Waste Amendments of 1984. Not only did the regulated universe of wastes and facilities dealing with hazardous waste increase significantly, but past mismanagement practices, in particular prior releases at inactive hazardous and solid waste management units, were to be identified and corrective action taken. The 1984 amendments also authorized a regulatory and implementation program directed to owners and operators of underground storage tanks.

Pesticides.—The objective of the Pesticide Program is to protect the public health and the environment from unreasonable risks while permitting the use of necessary pest control approaches. This objective is pursued by EPA under the Food Quality Protection Act, the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] and the Federal Food, Drug, and Cosmetic Act [FFDCA] through three principal means: (1) review of existing and new pesticide products; (2) enforcement of pesticide use rules; and (3) research and development to reinforce the ability to evaluate the risks and benefits of pesticides.

Radiation.—The radiation program's major emphasis is to minimize the exposure of persons to ionizing radiation, whether from naturally occurring sources, from medical or industrial applications, nuclear power sources, or weapons development.

Toxic substances.—The Toxic Substances Control Act [TSCA] establishes a program to stimulate the development of adequate data on the effects of chemical substances on health and the environment, and institute control action for those chemicals which present an unreasonable risk of injury to health or the environment. The act's coverage affects more than 60,000 chemicals currently in commerce, and all new chemicals.

Multimedia.—Multimedia activities are designed to support programs where the problems, tools, and results are cross media and must be integrated to effect results. This integrated program encompasses the Agency's research, enforcement, and abatement activities.

Superfund.—The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] established a national program to protect public health and the environment from the threats posed by inactive hazardous waste sites and uncontrolled spills of hazardous substances. The original statute was amended by the Superfund Amendments and Reauthorization Act of 1986 [SARA]. Under these authorities, EPA manages a hazardous waste site cleanup program including emergency response and long-term remediation.

Leaking underground storage tanks.—The Superfund Amendments and Reauthorization Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks that contain petroleum or other hazardous substances. EPA implements the LUST response program primarily through cooperative agreements with the States.

COMMITTEE RECOMMENDATION

The Committee recommends a total of \$7,413,062,000 for EPA. This is a decrease of \$382,213,000 below the budget request and an increase of \$50,016,000 above the current budget. The Committee

recommendation falls below the President's request principally owing to a decision not to provide an increase for the Superfund Program.

The recommendation includes increases in a number of key areas, including a \$295,000,000 increase above the President's request and \$173,000,000 over the enacted level for water quality activities including clean water State revolving funds; an increase of \$10,000,000 over the President's request for particulate matter research; an increase of \$13,600,900 for air quality grants over the enacted level; and an increase of \$75,000,000 above the enacted level for drinking water State revolving funds.

The Committee's recommendation falls below the enacted level in only two areas: buildings and facilities—a decrease of \$56,472,000 is proposed by the administration and recommended by the Committee owing to a decrease in requirements associated with the Research Triangle Park Laboratory construction project—and special water and sewer projects, for which approximately \$150,000,000 less than the enacted level is recommended. Funding at or slightly above the enacted level is recommended for all other programs including Superfund. Given the many problems surrounding the Superfund Program, as delineated in the "Superfund" account section of this report, coupled with significant budget constraints, the Committee cannot justify a significant increase in spending at this time.

The Committee notes that EPA's budget has been reformatted consistent with the Government Performance and Results Act. It includes for the first time, performance goals and measures and in many instances focuses on results. These changes are positive and EPA is to be commended for its work in this area. However, there are a number of important concerns. Despite the new budget format, it does not appear that GPRA initiatives have resulted in a new budget discipline in which EPA made some hard choices, disinvested in lower priority activities, and made budget priorities based on the greatest opportunities for risk reduction.

Recently the General Accounting Office indicated that a key management issue facing EPA is the need to improve its performance in establishing priorities that better reflect the risks to human health and the environment and that compare risks and risk reduction strategies across programs and pollution problems. It is expected that in the fiscal year 2000 budget and annual plan, EPA will improve its allocation of resources to reflect real risks that particular environmental problems pose, and the benefits of Federal investments in addressing these problems, and target for priority attention those areas offering the greatest opportunity for risk reduction.

Second, there continues to be a strong emphasis in some areas of the budget and annual plan on outputs rather than outcomes. For example, in the enforcement area, all performance measures are traditional outputs, such as the number of inspections to be conducted. To comply with the intent and spirit of the Results Act, the emphasis should be squarely on outcomes—protection of and improvements to the environment and public health. In addition, the Committee is concerned with some of the goals that EPA has selected. It does not appear that all goals will outlast a single ad-

ministration. To measure progress over a long period, there needs to be stability and consistency in the goals and measures.

The Committee is also very concerned that the new budget format provides very little resource information on agency programs; programs are divided amongst multiple goals and objectives, resulting in great confusion over program budgets and activities. The lack of program information is unacceptable and must be addressed in the fiscal year 2000 budget submission. The Committee expects to be able to identify in the budget specific resource information for all key agency programs and activities without having to rely on supplementary sources for such information.

The Committee also questions whether EPA's strategic plan and budget provide any more accountability than there has been in the past. The inspector general earlier this year provided a list of the top 10 areas of concern within EPA. According to the inspector general, "An overarching issue that relates to many of EPA's problems is a lack of accountability." GPRA's focus is on accountability for results, yet accountability has been among EPA's weakest areas, as the inspector general, the National Academy of Public Administration, and others have pointed out in the past.

According to the inspector general, "One of the most significant challenges EPA faces in implementing the Results Act is developing an accurate baseline of environmental data for planning, budgeting, implementing, and evaluating EPA's programs. Without accurate data, EPA's managers cannot assess EPA's progress in carrying out its environmental mission." Accurate environmental information is imperative in order to know whether programs are working, whether dollars are being invested wisely, and to hold EPA accountable for meeting the goals it has set forth. Furthermore, ensuring data quality is critical in view of EPA's emphasis on right-to-know activities, with virtually every EPA program involved in some form of a right-to-know program. The information EPA provides to the public about the environmental performance of companies, facilities, and products, and about environmental conditions, trends, and risk absolutely must be accurate and reliable, and presented in an appropriate and meaningful context.

Unfortunately, while this issue has been pointed out by the inspector general, GAO, and NAPA many times over the past several years, EPA has not made environmental data quality a high priority. In its September 1997 report, NAPA said, "The agency has not yet established the institutions it will need to ensure that data are reliable, objective, credible, and consistent across programs and media." While NAPA called for a one-stop-shop for environmental information, EPA ignored this recommendation and senior agency leadership has not accorded this issue priority attention.

The Committee notes that the Deputy Administrator recently appointed EPA's Chief Information Officer to lead a strategic action plan to implement an agencywide approach to ensuring the quality of EPA data. This is an encouraging development, and it is expected that the CIO will be held accountable for ensuring the quality of and stewardship for environmental information at EPA. The Committee further expects EPA to (1) invest sufficient funds in improving the quality of data; (2) ensure this issue is accorded high priority within the agency with senior agency leadership super-

vision; and (3) provide a quarterly report on its progress in addressing data quality and stewardship concerns.

The Committee notes that EPA's budget includes \$6,100,000 for activities necessary to ensure EPA systems are year 2000-compliant. EPA estimates this amount will be sufficient for final evaluation and testing of all mission critical systems at EPA. EPA is directed to take all necessary steps to ensure year 2000 compliance and make this a high priority.

The agency is directed to notify the Committee prior to each reprogramming in excess of \$500,000 between objectives, when those reprogrammings are for different purposes. The exceptions to this limitation are as follows: (1) for the "Environmental programs and management" account, Committee approval is required only above \$1,000,000; and (2) for the "State and tribal assistance grants" account, reprogramming of performance partnership grant funds is exempt from this limitation.

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$631,000,000
Budget estimate, 1999	633,460,000
Committee recommendation	643,460,000

PROGRAM DESCRIPTION

EPA's "Science and technology" account provides funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental sciences. These efforts are conducted through contracts, grants, and cooperative agreements with universities, industries, other private commercial firms, nonprofit organizations, State and local government, and Federal agencies, as well as through work performed at EPA's laboratories and various field stations and field offices.

COMMITTEE RECOMMENDATION

The Committee recommends \$643,460,000 for science and technology, an increase of \$10,000,000 above the budget request and \$12,460,000 over the enacted level. In addition, the Committee recommends the transfer of \$40,200,000 from the Superfund account, for a total of \$683,660,000 for science and technology.

The Committee has made the following changes to the budget request:

- + \$1,750,000 for the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases. The research should be coordinated with EPA's overall particulate matter research program and consistent with the recommendations set forth by the recent National Academy of Sciences report on PM research.
- + \$2,000,000 for the National Environmental Respiratory Center at the Lovelace Respiratory Research Institute. The research should be coordinated with EPA's overall particulate matter research program and consistent with the recommendations set

- forth by the recent National Academy of Sciences report on PM research.
- + \$1,250,000 for the Center for Air Toxics Metals at the Energy and Environmental Research Center.
 - + \$2,500,000 for the Gulf Coast Hazardous Substance Research Center.
 - + \$2,500,000 for the Experimental Program to Stimulate Competitive Research.
 - + \$1,000,000 for the Texas Regional Institute for Environmental Studies [TRIES] to test cost-effective environmental restoration technologies.
 - + \$1,000,000 for the Institute for Environmental and Industrial Science at Southwest Texas State University.
 - + \$1,500,000 for the Integrated Public/Private Energy and Environmental Consortium [IPEC] to develop cost-effective environmental technology, improved business practices, and technology transfer for the domestic petroleum industry.
 - + \$1,000,000 for research on perchlorate treatment technologies, managed by the American Water Works Association Research Foundation on behalf of the East Valley Water District.
 - + \$1,250,000 for continuation of the California PM-10/PM-2.5 air quality study.
 - + \$1,000,000 for the Alabama Center for Estuarine Studies.
 - + \$2,000,000 for the national decentralized water resources capacity development project [NDWRCDP]. The Committee notes that as part of the clean water action plan the administration has requested, and the Committee recommends, \$500,000 in support of the establishment of management programs for rural or suburban onsite wastewater treatment systems. EPA should work closely with the NDWRCDP in this effort.
 - + \$2,000,000 for the Center for Environmental Research, Education, and Training at the University of Maryland-Baltimore County. The center will support research on watershed science, ecological and environmental impacts of urban and suburban development, fate and transport of contaminants from urban and rural land use, and analysis of large spatial data sets vital to EPA's mission.
 - + \$6,000,000 for the Mine Waste Technology Program and the Heavy Metal Water Program at the National Environmental Waste Technology, Testing, and Evaluation Center.
 - + \$1,000,000 for the Water Environment Research Foundation.
 - + \$1,000,000 for the American Water Works Association Research Foundation.
 - + \$1,000,000 for the Mickey Leland National Urban Air Toxics Research Center.
 - + \$10,000,000 for particulate matter research, for a total of \$39,000,000. This amount is to be allocated according to the high-priority areas identified by the National Academy of Sciences.
 - \$8,000,000 from the environmental monitoring for public access and community tracking. This new program has been funded at current levels.
 - \$2,000,000 from the advanced measurement initiative. This program has been funded at current levels.

- \$6,000,000 from global change research. This program has been funded at current levels.
- \$10,000,000 from the climate change technology initiative. The amount provided represents a \$20,000,000 increase over the enacted level. This increase will allow for the acceleration of EPA's efforts in support of the Partnership for a New Generation of Vehicles.
- \$3,750,000 as a general reduction, subject to normal re-programming guidelines.

The Committee notes that the National Academy of Sciences recently issued a report on particulate matter [PM] research as directed by the House and Senate Appropriations Committees. The NAS panel, which included a diverse group of scientists from a variety of backgrounds, reported that EPA's allocation of PM research dollars was misdirected. "EPA should devote more funds to studying the types of particles most likely to be harmful to human health, the ways particles cause damage, and the levels of exposure people actually receive." The panel further found, "Given the potential magnitude of public health consequences associated with exposures to particulate matter and the potential economic costs of implementing the new PM standards, it is essential that policymakers and the American public have confidence that sufficient, high-quality scientific and technical information is available to reduce the risks effectively and efficiently. Proceeding in the absence of such information could lead policymakers to focus on standards and controls for PM that are not of the highest public health priority."

The Committee fully expects EPA will refocus its research agenda consistent with the NAS recommendations. EPA is to work closely with NAS in ensuring limited PM research dollars are allocated to the highest priority areas, particularly in view of the short timeframe leading to the next national ambient air quality standards [NAAQS] review.

With respect to the PM monitoring network, NAS recommended EPA reevaluate the network. NAS reported "The agency should consider more fully the possibility that future research results might indicate that the expensive monitoring program is not measuring the most biologically important aspects of particulate matter. Such an inconsistency would undermine the credibility and effectiveness of future control strategies and underprotect vulnerable subpopulations." While the Committee has fully funded the administration's request for the PM monitoring network, EPA is expected to follow the NAS recommendation to have the monitoring network peer reviewed. EPA should involve NAS in this effort. Such an evaluation is not intended to delay implementation of the monitoring network by the statutory deadline of December 1999.

EPA is urged to fund the hazardous substance research centers at current levels.

The Committee fully supports EPA's budget request of approximately \$35,600,000 for drinking water research, and the Committee expects that microbial contamination will be given a high priority within that budget. The Committee also supports no less than the full budget request for the Environmental Technology Verification Program.

The Committee urges EPA to study the potential health effects of the following chemicals: boric acid, decabromodiphenyl oxide, hexabromocyclododecane, antimony trioxide, tris phosphate, urea, phenol isopropylated phosphate, ammonium bromide, phosphorothioic acid, phosphonic acid, ammonium polyphosphate, ammonium sulfamate, triphenyl phosphate, and melamine. The Committee is particularly concerned about the possible carcinogenicity, neurotoxicity, mutagenicity, and any other chronic and acute effects of these chemicals.

The Committee strongly encourages EPA to support cross-agency interdisciplinary research initiatives in environmental research and biology and engineering. EPA should reach out to other Federal agencies involved in similar research activities in order to expand participation in this field. EPA is encouraged to work with the University of Maryland-Baltimore County through the development of a cooperative agreement to facilitate this effort.

The Committee urges EPA to fund an analysis of the effectiveness of gasoline fuel additives in reducing octane control requirement increase [ORI] and the potential global environmental benefits offered by ORI. Such an analysis should include identification of products that claim to reduce ORI; review of existing test reports and evaluation of existing data on the health effects of such additives; and assessment of the fuel economy, air quality, and other environmental and health benefits associated with bulk treatment of gasoline with additives that reduce ORI. Participation of the Department of Energy, engine manufacturers, petroleum companies, fuel additive companies, and environmental organizations and experts should be invited.

EPA is urged to work with the National Institute of Environmental Health Sciences to conduct a national study on potential health risks involved in the application of sludge to agricultural lands. A national research project would resolve gaps in scientific data and uncertainty of sludge impacts on air, soil, surface, and ground water.

The Committee notes that activities being pursued by the Center for Freshwater Studies at the University of Alabama are consistent with EPA's clean water action plan. The center proposes to integrate field observations and ecological experiments with transport and kinetic reaction modeling to develop effective strategies to diminish water degradation resulting from excessive nutrient inputs derived from land applications of animal waste. EPA should favorably consider a proposal from the center for such important research.

The Committee urges EPA to fund a study at the Vermont Agency of Natural Resources in conjunction with the National Institute of Environmental Health Sciences, of the malformation of frogs, including chemical characterization of known affected sites and tissue analysis, embryo assay with ambient water and sediments from sites, radiology and histopathology of frogs from test and control sites, and surveys to determine distribution of problems in Vermont.

The Committee is aware of the increased use of the organism *Burkholderia cepacia* as a biologic control agent. The Committee is concerned over the level of information that exists with regard to

the environmental strains of *B. cepacia* used in products that can pose health problems for people with cystic fibrosis. The Committee recommends EPA convene a workshop which includes specialists from industry, microbiologists, epidemiologist, and cystic fibrosis experts to assess the health risks of *B. cepacia*, and report back to the Committee with an assessment of the impact of *B. cepacia* on high-risk populations.

The Committee has not included proposed bill language relative to the environmental services fund.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriations, 1998	\$1,801,000,000
Budget estimate, 1999	1,993,780,000
Committee recommendation	1,840,500,000

PROGRAM DESCRIPTION

The Agency's "Environmental programs and management" account includes the development of environmental standards; monitoring and surveillance of pollution conditions; direct Federal pollution control planning; technical assistance to pollution control agencies and organizations; preparation of environmental impact statements; compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,840,500,000 for environmental programs and management, an increase of \$39,500,000 above the 1998 level and a decrease of \$153,280,000 below the budget request.

The Committee has made the following changes to the budget request:

- + \$1,500,000 for training grants under 104(g) of the Clean Water Act.
- + \$8,000,000 for the National Rural Water Association.

The Committee notes that in addition to the funds provided directly in this legislation for onsite rural water training and technical assistance, States are authorized to set aside 2 percent of the funds provided under their drinking water State revolving fund allotment, which would total \$16,000,000 in fiscal year 1999.

The inspector general recently raised serious concerns regarding lobbying activities and noncompetitive contracting practices by NRWA. EPA is to take all necessary steps to ensure this grant, and all other grants and contracts, are executed in compliance with all appropriate laws and regulations. No Federal funds are to be used to support lobbying activities. EPA is to ensure that all grantees establish adequate controls to ensure that both direct and indirect lobbying costs are systematically identified and excluded from charges to Federal assistance agreements and contracts. Finally, all recommendations included in the inspector general's report are to be followed by EPA.

- + \$2,100,000 for the Rural Community Assistance Program.
- + \$400,000 for the Groundwater Protection Council.

- + \$1,000,000 for the National Environmental Training Center at West Virginia University.
- + \$1,550,000 for the Small Flows Clearinghouse.
- + \$1,250,000 for the national onsite wastewater treatment demonstration project through the Small Flows Clearinghouse. The NODP peer review panel shall include representatives of the national decentralized water resources capacity development project and the two groups shall coordinate their activities, along with EPA, to maximize the Federal investment. Within 3 months of a grant award from EPA, the Small Flows Clearinghouse is to obligate funds for specific projects. The clearinghouse is to provide to EPA and the Congress within 90 days of enactment of this act a progress report on what has been accomplished by the program to date, including a description of projects funded, ongoing monitoring activities of such projects, and lessons learned.
- + \$3,000,000 for the demonstration project involving leaking storage tanks in Alaska.
- + \$3,000,000 for the Southwest Center for Environmental Research and Policy.
- + \$500,000 for the continuation of the small water system cooperative initiative at Montana State University.
- + \$500,000 for the Small Public Water System Technology Center at Western Kentucky University.
- + \$500,000 for the Small Public Water System Technology Center at the University of Missouri-Columbia.
- + \$500,000 for a small public water system technology center at the University of New Hampshire.
- + \$1,000,000 for water quality monitoring in the Tennessee River basin through the Alabama Department of Environmental Management.
- + \$500,000 to conduct demonstration projects to aid communities on the islands of Molokai and Maui to meet successfully the water quality permitting requirements for rehabilitating native Hawaiian fishponds.
- + \$5,000,000 under section 104(b) of the Clean Water Act for America's Clean Water Foundation for implementation of onfarm environmental assessments for hog production operations, with the goal of improving surface and ground water quality.
- + \$2,000,000 to support ongoing efforts to address the causes, mechanisms, and health and environmental effects of Pfiesteria.
- + \$500,000 for the Coordinated Tribal Water Quality Program through the Northwest Indian Fisheries Commission.
- + \$550,000 for continuation of the Idaho water initiative. The initiative is working to reduce waste and improve quality in water affecting aquaculture and confined animals industries.
- + \$500,000 for a study of dioxin in the Ohio River basin.
- + \$3,000,000 to continue the sediment decontamination technology demonstration in the New York-New Jersey Harbor.
- + \$1,500,000 for the National Alternative Fuels Vehicle Training Program.

- + \$2,500,000 for King County, WA, molten carbonate fuel cell demonstration project.
- + \$800,000 for the National Center for Vehicle Emissions Control and Safety for onboard diagnostic research.
- + \$250,000 for a pilot program to evaluate the most cost-effective technologies for treating nonpoint sources of phosphorous in the Lake Sammamish, WA, watershed.
- + \$250,000 to work with farmers and the Natural Resources Conservation Service in Vermont to adopt best management practices to reduce phosphorus runoff into Lake Memphremagog.
- + \$2,000,000 for the New York City Watershed Protection Program.
- + \$750,000 for the Chesapeake Bay Small Watershed Grants Program.
- + \$1,000,000 for the Lake Champlain management plan.
- + \$1,380,000 for the Great Lakes National Program Office, for a total of \$14,700,000.
- + \$2,000,000 for the Food and Agricultural Policy Research Institute's Missouri watershed initiative project to link economic and environmental data with ambient water quality.
- + \$500,000 for the Small Business Pollution Prevention Center at the University of Northern Iowa.
- + \$750,000 for the painting and coating compliance enhancement project through the Iowa Waste Reduction Center.
- + \$1,000,000 to strengthen the State Small Business Ombudsman and Technical Assistance Programs as authorized by section 507 of the Clean Air Act. These funds are to be administered by EPA's small business ombudsman, who shall award grants to States to provide information, advice and assistance to small businesses on compliance with CAA regulations. Grant awards are to be based upon identified deficiencies in State programs, the number of small businesses in a State, and the potential for the grants to assist in the achievement of the national ambient air quality standards objective. Up to 10 percent of the grant funds may be used to develop criteria for the State awards and program administration. EPA is to report on the grants, their use, effectiveness and an estimate of the emissions reductions achieved by the section 507 program in the annual report to Congress.
- + \$500,000 for the Office of Regulatory Management and Information and the Office of Small Business Ombudsman to be used for resources and personnel to enhance the agency's efforts to comply with SBREFA and the Regulatory Flexibility Act, and to inform small local governments about Agency programs and regulations.
- + \$300,000 for the Northeast States for Coordinated Air Use Management.
- + \$2,500,000 for the Michigan Biotechnology Institute for development and demonstration of environmental cleanup technologies.
- + \$500,000 for the Ala Wai Canal watershed improvement project.
- + \$200,000 for the Hawaii Department of Agriculture and the University of Hawaii College of Tropical Agriculture and

- Human Resources to develop agriculturally based remediation technologies. The diverse climatic and biologic conditions in Hawaii offer a range of verification and demonstration activities not possible in other parts of the United States.
- + \$100,000 for the city of Philadelphia to study the impact on the Delaware River watershed of vacant and abandoned land in Philadelphia, determine the environmental and economic benefits of remediation, and implement mitigation measures.
 - + \$500,000 for the environmentors project involving the matching of young people with environmental science professionals to work on environmentally oriented research projects.
 - + \$1,000,000 for the Animal Waste Management Consortium through the University of Missouri, acting with Iowa State University, North Carolina State University, Michigan State University, Oklahoma State University, and Purdue University to supplement ongoing research, demonstration, and outreach projects associated with animal waste management.
 - + \$2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on nonpoint source pollution.
 - + \$300,000 for the Dry Creek Channel project in Sandy, UT, to design and implement a nonpoint source project in conjunction with the ongoing Jordan River nonpoint source project, including the creation of wetlands to control urban stormwater runoff.
 - + \$1,000,000 for the Columbia basin ground water management assessment.
 - + \$1,500,000 for the city of West Palm Beach, FL, for its wetlands-based potable water reuse program including stormwater and wastewater recycling.
 - + \$500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.
 - + \$2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects.
 - + \$1,000,000 for an expansion of EPA's efforts related to the Government purchase and use of environmentally preferable products under Executive Order 12873 including life cycle analysis. EPA should work with GSA, USDA, DOD, DOE, and the Office of the Federal Environmental Executive as well as other related agencies. EPA should establish appropriate definitions and standards, and use life-cycle methodologies and use nongovernmental certification and/or seal-type programs, where possible. Priority should be given to product areas where agri-based products are likely to be a significant component, including solvents, lubricants, building materials, and plastic substitute products.
 - + \$200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers (Government and private sector) to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.

- + \$2,000,000 for the State of Missouri Department of Natural Resources [DNR] for a clandestine methamphetamine lab cleanup project. The methamphetamine production process creates toxic and explosive gases and residue. The funds are to be used by the Missouri DNR in cooperation with law enforcement and local governments to fund the cleanup and removal of contaminated materials from methamphetamine lab sites.
- + \$100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.
- + \$200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.
- \$81,000,000 from the climate change technology initiative. The amount provided represents an increase of \$5,023,000 for these activities. None of the funds provided to EPA are to be used to support activities related to implementation of the Kyoto protocol prior to its ratification.
- \$11,500,000 from the environmental monitoring for public access and community tracking. The amount provided is the same as the current level for this new program.
- \$9,000,000 from the Montreal protocol fund. The amount provided is the same as the fiscal year 1998 level of \$12,600,000.
- \$5,000,000 from sustainable development challenge grants. The amount provided is the same as the current level.
- \$1,000,000 from accident investigations. This responsibility has been transferred to the newly established Chemical Safety Board.
- \$1,000,000 from GLOBE.
- \$1,597,000 from urban livability. The agency has not demonstrated an effective application of the funds provided for this program. Further, the Committee is concerned with the proliferation of new programs and initiatives while many critical core agency activities are not being met adequately.
- \$111,113,000 as a general reduction, subject to normal re-programming guidelines.

The Committee has recommended the full budget request of \$37,800,000 for activities under the clean water action plan in the EPM account. In addition, a number of items have been added by the Committee which support the clean water action plan, including on-farm environmental assessments and monitoring and related activities associated with the toxic microbe *Pfiesteria*.

The Committee supports the President's full request for the south Florida ecosystem restoration project, the National Estuary Program including Sarasota Bay and Mobile Bay, the Chesapeake Bay Program Office, and the water quality monitoring program along the New Jersey-New York shoreline.

The Committee supports funding for the environmental finance centers at the 1998 level of \$940,000.

The Committee is concerned with EPA's implementation of the Food Quality Protection Act. In response to concerns raised by a broad array of stakeholders, the White House issued a memorandum on April 8, 1998, directing EPA and the U.S. Department of

Agriculture to work together “to ensure that implementation of the paramount public health goals of the new law is informed by a sound regulatory approach, by the expertise of the USDA, by appropriate input from affected members of the public, and by due regard for the needs of our Nation’s agricultural producers.” The memorandum delineated four principles to be followed in implementing the law, including (1) using sound science in protecting public health, (2) ensuring transparency in the decisionmaking process, (3) the need to address transition challenges for affected constituencies, and (4) establishing an effective means of consultation with the public and other agencies. The Committee supports these principles and fully expects EPA to comply with the letter and the spirit of the White House memorandum.

EPA is directed to report to the Committee quarterly on its progress in this area.

The Committee commends EPA for its progress in the common-sense initiative with the metal finishing sector. Under the agreement reached with the industry, State environmental agencies, local wastewater treatment authorities, and the environmental and labor communities, individual metal finishing companies—which are mostly small businesses—are now committing voluntarily to achieve continuous environmental improvements and operate at beyond compliance levels in exchange for a range of benefits, including regulatory flexibility in certain areas and reduced compliance costs. In order to ensure that necessary progress is reached, sufficient funding is to be provided to the Office of Policy, Planning and Evaluation for continued industry outreach and implementation of key pilot projects under the metal finishing strategic goals program. In addition, in accordance with one of the three primary goals of the metal finishing strategic goals agreement—a 50-percent reduction in facility compliance costs—ORD and OPPE are to be provided sufficient resources for additional analysis of metal finishing facility regulatory burdens, compliance cost reduction opportunities, and design and implementation of facility-level compliance measures. The Committee expects to be kept apprised of EPA’s progress in this area.

The Committee is concerned that the agency’s reinventing environmental information [REI] action plan falls short in addressing the needs of small business. As EPA seeks to transform the environmental reporting system, the agency should explicitly incorporate specific plans to ensure that reductions in reporting burdens are achieved where possible through consolidation of reporting as well as elimination of duplication and overlap. EPA has determined that in many cases reporting burdens could be significantly minimized while fully preserving current protections to environmental and human health. The agency is directed to report to Congress no later than March 1, 1999, on opportunities within REI to achieve burden reduction for small business through consolidation of reporting and elimination of duplication and overlap, and outline the findings of current and ongoing agency projects connected to burden reduction.

The Committee commends EPA for establishing compliance assistance centers, funded by EPA and managed by industry partnerships, to assist small businesses seeking information on how to

meet and exceed their environmental responsibilities. The current complexity and volume of environmental regulations overwhelm many small businesses. Few small businesses have ready access to the technical and financial resources required to identify and analyze what, if any, action is required by environmental regulations potentially affecting their operations, making compliance assistance centers essential. The Committee directs EPA to provide sufficient funding to maintain these compliance assistance centers. For instance, the compliance assistance center serving the 500,000 small businesses in the automotive service and auto body repair industry will be self-sustaining by fiscal year 2003. To remain viable in the interim, however, it is estimated that a minimum of \$300,000 in Federal assistance is required in fiscal year 1999. The Committee notes that while the enforcement budget in this account is projected to rise by \$11,000,000 in fiscal year 1999, EPA has not requested any increase for compliance assistance activities. EPA should do as much as possible to promote compliance assistance activities.

The Committee directs EPA to facilitate collaboration and communication among groups and projects in decentralized wastewater treatment, particularly those funded by EPA, along with EPA's Office of Water and Office of Research and Development.

The Committee encourages EPA to consider favorably the application for a sustainable development challenge grant submitted by Envision Utah, a private/public organization tasked with planning for future growth in Utah. According to the U.S. Bureau of the Census, Utah is the third fastest growing State in the Nation. The Committee supports Utah's efforts in preparing for the future and is interested in the progress being made by Envision Utah.

The Committee is concerned about the administration's fiscal year 1998 line-item veto action of a wastewater operating training program in Alabama. The Office of Management and Budget's veto explanation incorrectly identified the page number, item and purpose of the wastewater operating training program. The administration actually sought to veto a program that did not exist. While the constitutionality of the line-item veto authority is currently under judicial review, in this case it is the Committee's belief that OMB's attempt to line-item this project was ineffective on its face. The Committee continues to support the Alabama Department of Environmental Management's model water/wastewater training program.

The Committee is concerned that EPA recently released a proposed "Pesticide Registration Notice for Treated Articles" as a notice rather than a rule, thereby avoiding any congressional review requirements or an opportunity for interested parties to comment. Given that this notice appears to be a major change in existing EPA policy, the Committee strongly urges EPA to promulgate a formal rule and in the interim allow sellers or distributors of consumer products treated with or containing a registered pesticide accepted for such use, to make the same claims that have been approved by the agency for use by the pesticide registrant.

The Committee notes that implementation of the North American waterfowl management plan would be aided by improved wetland planning, monitoring, and evaluation. The Committee urges

EPA to review favorably a grant proposal to develop a national wetlands data base clearinghouse, in cooperation with other Federal and State agencies, to demonstrate the applicability of geographic information system planning technology to provide a single, unified data base available to private and public stakeholders.

The Committee directs EPA to coordinate efforts with the Office of National Drug Control Policy to conduct assessments of a sampling of seized clandestine methamphetamine producing laboratories and evaluate cleanup requirements necessary to ensure that such sites are safe for future human occupation. Findings and recommendations shall be reported to the chairman, the Director of the Drug Enforcement Agency, and the Director of ONDCP.

The Committee is aware that the lower Brazos River provides drinking water for some of the fastest growing areas of Texas. Through a project at Tarleton State University, the Brazos River Authority will continue to monitor the nutrient levels in the watershed and calibrate environmental standards to the poultry industry in the lower part of the Brazos. The Committee encourages EPA to support the efforts of the Brazos River Authority and Tarleton State University.

The Committee understands that EPA and the Council on Environmental Quality is looking at the impact of urban sprawl on water quality as part of the clean water action plan. The Committee encourages EPA to work with the Vermont Natural Resources Conservation Service and the University of Vermont who have formed a partnership to develop tools for local planners to assess the environmental impact of development on water quality.

The Committee directs the EPA to provide an accounting of global warming-related grants and contracts over \$500,000. This report should be provided to the Committee by May 1, 1999.

The Committee is supportive of the Treasure Valley hydrologic project in Boise, ID, which involves a study of the impacts of irrigation and wells on ground water levels and water quality, in addition to providing valuable information about the source of contaminants which have been detected in the regional water supply system. EPA is urged to continue supporting this project.

The Committee is concerned with the regulatory burdens placed upon State and local governments by the EPA. The Committee encourages the Agency to work with State and local governments to increase the understanding and preparation for the effects and impacts of the regulations prior to the effective date for implementation of such regulations.

The Committee continues to be concerned with the Agency's sector facility indexing project. The Committee directs the Agency to ensure that the data used in this project is of good and accurate quality and to respond to and correct data errors, omissions, and inaccuracies in response to public comments.

On October 22, 1997, the President announced a three-stage proposal on climate change in anticipation of an international agreement to be negotiated 2 months later in Kyoto, Japan. With regard to programs pursued under the President's proposal, the Committee expects the Environmental Protection Agency to comply with the letter and spirit of the Government Performance and Results Act. The Committee directs the Agency to provide the Committee

with a detailed plan for implementing the President's proposal, which would include an annual performance goal for the reduction of greenhouse gases that has objective, quantifiable, and measurable target levels. The plan should provide substantial evidence on the effectiveness of implementing the President's proposal in facilitating compliance with binding greenhouse gas emissions reduction commitments contained in international agreements negotiated on behalf of the United States. The Agency shall submit this plan to the Committee by December 31, 1998. The General Accounting Office is directed to prepare a report that evaluates the Agency's completed plan and submit its report to the Committee within 90 days after receipt of the Agency's plan.

The Committee has not included proposed bill language relative to the environmental services fund.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$40,142,000
Budget estimate, 1999	43,391,300
Committee recommendation	43,391,300

PROGRAM DESCRIPTION

The Office of Inspector General provides EPA audit and investigative functions to identify and recommend corrective actions of management, program, and administrative deficiencies which create conditions for existing or potential instances of fraud, waste, and mismanagement.

Trust fund resources are transferred to this account directly from the hazardous substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends \$43,391,300 for the Office of Inspector General, the same as the budget request. The appropriation includes \$31,154,000 from the general fund in this account and \$12,237,300 from the Superfund trust fund. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 1998	\$109,420,000
Budget estimate, 1999	52,948,000
Committee recommendation	52,948,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary major repairs and improvements to existing installations which are used by the Agency. This appropriation also covers new construction projects when appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$52,948,000 for buildings and facilities. The Committee has not provided the

administration's request for an advance appropriation of \$40,700,000. The Committee recommendation includes the administration request of \$32,000,000 for the Research Triangle Park laboratory construction project and \$16,000,000 for the new headquarters project.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$1,500,000,000
Budget estimate, 1999	2,092,745,000
Committee recommendation	1,500,000,000

PROGRAM DESCRIPTION

On October 17, 1986, Congress amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA] through the Superfund Amendments and Reauthorization Act of 1986 [SARA]. SARA reauthorized and expanded the hazardous substance Superfund to address the problems of uncontrolled hazardous waste sites and spills. Specifically, the legislation mandates that EPA: (1) provide emergency response to hazardous waste spills; (2) take emergency action at hazardous waste sites that pose an imminent hazard to public health or environmentally sensitive ecosystems; (3) engage in long-term planning, remedial design, and construction to clean up hazardous waste sites where no financially viable responsible party can be found; (4) take enforcement actions to require responsible private and Federal parties to clean up hazardous waste sites; and (5) take enforcement actions to recover costs where the fund has been used for cleanup.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,500,000,000 for Superfund, the same as the current budget. The amount provided includes \$250,000,000 from general revenues, as authorized, and the balance from the trust fund.

The amount recommended includes the following:

\$1,000,462,700 for the response program. This includes the President's full request for brownfields.

\$155,900,000 for enforcement.

\$40,200,000 for research and development.

\$119,000,000 for management and support.

\$74,000,000 for the Agency for Toxic Substances and Disease Registry, including \$2,500,000 for the Great Lakes fish consumption study and \$2,000,000 for the Tom's River cancer cluster study. It is expected that no more than 7.5 percent of the funds provided will be used for administrative expenses of the Centers for Disease Control and Prevention.

\$58,000,000 for the National Institute of Environmental Health Sciences, including \$23,000,000 for worker training grants and \$35,000,000 for research.

\$40,200,000 for other Federal agencies.

\$12,237,300 for the inspector general.

The Committee cannot support the administration's proposed increase of almost \$600,000,000 in the Superfund Program in fiscal

year 1999. To provide such an increase would force unacceptable tradeoffs in such areas as veterans medical care or low-income housing owing to the constraints imposed by the budget cap. Moreover, the conferees on the VA, HUD, and Independent Agencies fiscal year 1998 appropriations legislation reached agreement with the administration last year that additional funds would be made available for Superfund in fiscal year 1999 only if the program was reauthorized. Furthermore, the Committee remains extremely troubled by the following facts.

First, the General Accounting Office continues to list Superfund as a high-risk program, subject to fraud, waste, and abuse. GAO recently reported that Superfund is a key management concern at EPA. In a letter to the VA, HUD, and Independent Agencies Subcommittee chairman dated April 23, 1998, GAO said "Our work has identified several management problems in the program, including that EPA has not allocated cleanup resources to the most significant threats to health and the environment, has recovered only a small percentage of its costs from the parties responsible for the pollution, has had difficulties in controlling the costs for contractors, and has not established performance goals needed to monitor the success of the agency's efforts to reduce the time cleanups take and to control the amount of funds for activities besides the actual cleanups, such as the expenses for legal fees."

Second, EPA has failed to demonstrate whether it could effectively allocate the additional funds requested for site cleanups. The Association of State and Territorial Solid Waste Management Officials last year raised questions as to whether EPA could effectively spend the increase it was requesting. To date, EPA has not answered that question adequately. Furthermore, it is clear that funds invested in Superfund cleanups result in relatively little reduction of risk to human health and the environment compared to spending on other environmental programs.

In addition, EPA's budget request assumed inflated costing factors, according to the Congressional Budget Office and the General Accounting Office. GAO found that EPA relied on historical cost data as the basis for its fiscal year request, rather than more recent cost information. For the fiscal year 1999 budget, EPA did not change its cost assumptions.

Also, the committee of jurisdiction does not support increased funding for this program prior to reauthorization. In its views and estimates letter on the fiscal year 1999 budget to the Senate Budget Committee earlier this year, the Senate Environment and Public Works Committee noted, "Superfund is a seriously flawed program that needs significant legislative improvement before any increase in funding is appropriate. Several peer-reviewed EPA studies have found Superfund sites, at best, represent a midrange threat to human health and the environment as compared to other more pressing threats."

While the Committee supports the goal of accelerating site cleanups, it cannot support wasteful, abusive, or ineffective use of Federal funds. A recent inspector general report found that at the Austin Avenue radiation site in Pennsylvania, EPA spent on average over \$650,000 to replace houses that had an average market value of \$147,000. In one case, EPA spent more than \$900,000 to custom

build a house while the appraised market value of the original house was \$200,000. Not only was it inappropriate to use the Superfund Program to build new houses, funds were used to custom build houses far in excess of the original market value of the houses being replaced. This report illustrates how mismanaged and in need of reform the Superfund Program is.

The Committee is aware that opportunities exist to recover significant funds obligated for completed Superfund projects. While EPA has made a concentrated effort to recover unspent funds that GAO identified, there remains \$39,000,000 available for deobligation in fiscal year 1998 and an additional \$125,000,000 available for recovery in fiscal year 1999 from contracts and assistance agreements completed in 1997. The Committee notes that these funds are available for additional site cleanup work. EPA is directed to move quickly to deobligate the available funds, and to apply deobligated funds to site cleanup work only, not administrative activities.

The Committee encourages EPA to review favorably a request from the city of Charlotte, NC, for a brownfields demonstration pilot. The Charlotte area is home to over 3,000 brownfields sites and has been a leader in developing relationships with the banking and small business communities in dealing with brownfields. The Committee also notes that the city of Renton, WA, is leading an effort to cleanup a brownfield site referred to as the Port Quendall site, along Lake Washington. State, local, and private funds have already been committed for this project. EPA is to consider the city's request for Federal cost sharing. Finally, the Committee notes the city of Philadelphia's urban greenfields project, a collaborative effort seeking to demonstrate a comprehensive approach to reusing vacant and abandoned land, and urges favorable consideration of a request from the city for a brownfields grant.

The Committee encourages EPA to review favorably a brownfields grant request from the city of St. Louis, MO, to further assist the city in its efforts to address the over 1,000 brownfield sites covering approximately 2,000 acres.

The Committee understands that a highly skilled work force specializing in uranium mill tailings remediation for the Department of Energy exists in Grand Junction, CO. This work force will soon be available for other, nonradiological remediation work. The Committee encourages the EPA to work with the Department of Energy to find ways this work force may be eligible for EPA abandoned mine or other remediation work in the Rocky Mountain region.

The Committee has included bill language, as in the fiscal year 1998 legislation, prohibiting the use of Superfund funds for brownfields revolving loan funds unless authorized by subsequent legislation.

The Committee has included bill language delaying the availability of \$100,000,000 until September 1, 1999. This language was included in the fiscal year 1998 Superfund appropriation and is not anticipated to have a programmatic impact.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$65,000,000
Budget estimate, 1999	71,210,000
Committee recommendation	75,000,000

PROGRAM DESCRIPTION

The Superfund Amendments and Reauthorizations Act of 1986 [SARA] established the leaking underground storage tank [LUST] trust fund to conduct corrective actions for releases from leaking underground storage tanks containing petroleum and other hazardous substances. EPA implements the LUST program through State cooperative agreement grants which enable States to conduct corrective actions to protect human health and the environment, and through non-State entities including Indian tribes under section 8001 of RCRA. The trust fund is also used to enforce responsible parties to finance corrective actions and to recover expended funds used to clean up abandoned tanks.

COMMITTEE RECOMMENDATION

The Committee recommends a budget of \$75,000,000 for the Leaking Underground Storage Tank Program, an increase of \$10,000,000 over the 1998 enacted level and \$3,790,000 above the budget request. The Committee directs that not less than 85 percent of these funds be provided to the States and tribal governments.

The Committee has included bill language, requested by the administration, clarifying that funds under this heading may be used to support the development and implementation of underground storage tank programs in Indian country.

OILSPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 1998	\$15,000,000
Budget estimate, 1999	17,321,400
Committee recommendation	15,000,000

PROGRAM DESCRIPTION

This appropriation, authorized by the Federal Water Pollution Control Act of 1987 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 inspections, including compelling responsible parties to undertake cleanup actions; reviewing containment plans at facilities; reviewing area contingency plans; pursuing cost recovery of fund-financed cleanups; and conducting research of oil cleanup techniques. Funds are provided through the oilspill liability trust fund established by the Oil Pollution Act and managed by the Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends \$15,000,000 for the oilspill response trust fund, the same as the current level and a decrease of \$2,321,000 below the request.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriations, 1998	\$3,213,125,000
Budget estimate, 1999	2,902,657,000
Committee recommendation	3,255,000,000

PROGRAM DESCRIPTION

The "State and tribal assistance grants" account funds grants to support the State revolving fund programs; State, tribal, regional, and local environmental programs; and special projects to address critical water and waste water treatment needs.

This account funds the following infrastructure grant programs: State revolving funds; United States-Mexico Border Program; colonias projects; and Alaska Native villages.

It also contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) Nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands State program development; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRF and the special water and waste water treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes. The performance partnership/categorical grants are exempt from the congressional reprogramming limitation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,255,000,000 for State and tribal assistance grants, an increase of \$352,343,000 over the budget request and \$41,875,000 above the enacted level.

The Committee's recommendation includes the following:

\$850,000,000 for performance partnership/categorical grants and associated program support. The amount provided includes an increase above the enacted level of \$75,000,000 for nonpoint source grants, for a total of \$180,000,000, and \$10,000,000 for section 106 water quality grants, for a total of \$105,529,300; an increase above the enacted level of \$13,600,900 for air quality grants; and the administration's request for all other programs.

\$800,000,000, an increase of \$25,000,000 above the budget request, for drinking water State revolving funds.

\$1,400,000,000 for clean water State revolving funds, an increase of \$325,000,000 above the budget request.

\$75,000,000 for water and wastewater projects on the United States-Mexico border.

\$30,000,000 for rural and Alaskan Native villages to address the special water and wastewater treatment needs of thousands of households that lack basic sanitation, including \$2,000,000 for training and technical assistance. The State of Alaska will provide a match of \$15,000,000.

\$100,000,000 for special needs infrastructure grants, as follows:

\$2,500,000 for the Lake Tahoe pipeline replacement project.

\$500,000 for the Orange County, CA, Water District and the County Sanitation District of Orange County for the ground water replenishment system.

\$1,000,000 for the Olivenhain Municipal Water District in northern San Diego County for water treatment plant improvements.

\$250,000 for Moapa Valley, NV, water district for repairs and upgrades to the water system.

\$2,200,000 for the Charleston Water Conservancy District, UT, to meet sewer infrastructure needs associated with the 2002 winter Olympic games.

\$1,000,000 for the Ogden City, UT, water and sewer system.

\$5,000,000 for the city of Bozeman, MT, water and sewer system.

\$1,600,000 for the town of Mountain Village and Telluride, CO, for a shared sewer system upgrade.

\$8,000,000 for Jackson County, MS, for remaining construction of the pipeline and water treatment improvements.

\$1,000,000 for DeSoto County, MS, wastewater improvement activities.

\$2,450,000 for the Big Haynes Creek, GA, basin stormwater retention and reuse project.

\$7,000,000 for the village of Hempstead, NY, for water system improvements.

\$500,000 for the city of Hartford, SD, for the construction of a new water treatment plant.

\$1,200,000 for the village of Jemez Springs, NM, to improve its wastewater treatment system.

\$4,900,000 for the city of Grand Forks, ND, water treatment plant relocation project.

\$5,600,000 for the Eastern Band of Cherokee Indians, NC, Big Cove Community wastewater collection project.

\$2,000,000 for the city of Berlin, NH, for water infrastructure improvements.

\$2,500,000 for the city of Winterset, IA, for sewer system improvements.

\$5,000,000 for improvements to the St. Maries, ID, drinking water system.

\$3,000,000 for Lake Marion Regional Water Agency, SC, to provide potable water for residents of 14 municipalities. The service area for this regional water system contains South Carolina's highest unemployment and highest level of poverty.

\$3,000,000 for the Milwaukee Metropolitan Sewerage District for the central metropolitan improvement project.

\$3,750,000 for the Passaic Valley, NJ, Sewerage Commission for wastewater improvements.

\$3,500,000 for the city of Springfield, VT, to upgrade its wastewater system.

\$2,000,000 for Anderson County, KY, to renovate the Alton Water District's sewer system.

\$1,550,000 for the city of Kinston, NC, wastewater treatment improvements.

\$350,000 for the Green River Water District, Hart County, KY, for water system improvements.

\$1,200,000 for the Matanuska-Susitna Borough, AK, water and sewer improvements.

\$1,700,000 for the city of Anchorage for water system improvements involving the town of Girdwood, AK.

\$1,000,000 for the North Star, AK, Borough for water system improvements.

\$1,000,000 for the Middleburg/Franklin Township, PA, wastewater improvement project.

\$1,000,000 for Springettsburg Township, city of York, PA, for sewer system improvements.

\$2,250,000 for the city of Sparks, NV, to construct a water treatment facility including nitrogen removal.

\$2,500,000 for the three rivers wet weather demonstration project, Allegheny County, PA, to eliminate separate sewer flows.

\$5,000,000 for the city of Cumberland, MD, to separate and relocate the city's combined sewer and stormwater system.

\$3,000,000 for Geneva County, AL, drinking water system improvements.

\$1,000,000 for the Goodwater Utilities Board, Alabama, to connect the town of Goodwater with Alexander City.

\$4,000,000 for the Kansas City Blue River wastewater treatment plant improvements.

\$4,000,000 for the St. Louis Metropolitan Sewer District Meramec River treatment plant improvements.

\$1,000,000 for Somerset County, MD, wastewater treatment improvements in support of biological nutrient removal.

EPA is to work with the grant recipients on appropriate cost-share arrangements consistent with past practice.

EPA is encouraged to consider a proposal by the Hawaii Department of Health to address nonpoint source pollution and erosion control on the island of Molokai.

The Committee notes that the amounts provided for the drinking water State revolving funds are available for national set-asides outlined in section 1452; however, health effects research is funded

in the “Science and technology” account as proposed by the administration.

The Committee understands that the priority environmental and public health protection problem in the Brownsville, TX, region is the need to utilize better excess Rio Grande River water for a long-term regional water supply. Brownsville is working with the Texas Water Development Board, the Mexican state of Tamaulipas and other local Lower Rio Grande River Valley communities to design a project to resolve this problem. To support this effort, the Committee urges that \$3,000,000 from the border infrastructure funds be allocated to Brownsville for use in its initial environmental assessment and planning.

The Committee has included bill language, as in fiscal year 1998, allowing States to cross-collateralize their clean water and drinking water State revolving funds. This language makes explicit that in fiscal year 1999 and thereafter, funds appropriated to the SRF’s may be used as common security in a bond issue for both SRF’s, ensuring maximum opportunity for leveraging these funds.

The Committee has included bill language which provides that fiscal year 1997 funds for Texas colonias may be matched by 20 percent in State funds, and used for water as well as wastewater projects.

The Committee has included bill language, requested by the administration, clarifying that funds under this heading may be used to support the development and implementation of hazardous waste management programs in Indian country.

The Committee has also included bill language, requested by the administration, that clarifies the intent of section 23(a) of FIFRA.

ADMINISTRATIVE PROVISION

The Committee has included bill language prohibiting EPA from allowing the export of ships to be dismantled in foreign countries that do not have environmental standards comparable to those in the United States. Last year EPA approved agreements with Federal ship-owning agencies to allow the export of surplus ships contaminated with hazardous materials such as PCB’s and asbestos. Federal ships would have been exported to be scrapped in developing countries with minimal or no environmental standards on hazardous material removal and abatement.

These agreements by EPA raised two major concerns. First, they encouraged the export of hazardous materials that would have very likely been dumped off the shorelines of developing nations and into our oceans. Second, the Federal ship-owning agencies now had less incentive to scrap domestically—where they must comply with stricter and more costly standards for hazardous waste removal and abatement—thus sending potential U.S. jobs and business overseas and placing the U.S. domestic industry at a competitive disadvantage. To address these concerns the Committee has included bill language prohibiting such exports unless EPA certifies to Congress that the destination country has comparable environmental standards (and enforcement of those standards) to the United States. The Committee more specifically intends that those environmental standards should be comparable to U.S. standards governing the removal, disposal, and abatement of PCB’s, asbestos,

and other relevant hazardous materials from ships being scrapped—and that these standards are enforced at a comparable level to the United States.

WORKING CAPITAL FUND

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 1998	\$4,932,000
Budget estimate, 1999	5,026,000
Committee recommendation	5,026,000

PROGRAM DESCRIPTION

The Office of Science and Technology Policy [OSTP] was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94–238) and coordinates science and technology policy for the White House. OSTP provides authoritative scientific and technological information, analysis, and advice for the President, for the executive branch, and for Congress; participates in formulation, coordination, and implementation of national and international policies and programs that involve science and technology; maintains and promotes the health and vitality of the U.S. science and technology infrastructure; and coordinates research and development efforts of the Federal Government to maximize the return on the public's investment in science and technology and to ensure Federal resources are used efficiently and appropriately.

OSTP provides support for the National Science and Technology Council [NSTC].

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,026,000 for the Office of Science and Technology Policy. This amount is the same as the budget request and \$94,000 above the current level.

The Committee recommends that OSTP review the recommendations of the National Animal Genome Research Program to map the genome of trout. The Committee directs OSTP to report by February 15, 1999, to the Committee regarding the funding of the trout genome as well as other animal genome subjects, where this research should be conducted in the Government and a schedule for the research.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriations, 1998	\$2,500,000
Budget estimate, 1999	3,020,000
Committee recommendation	2,575,000

PROGRAM DESCRIPTION

The Council on Environmental Quality/Office of Environmental Quality was established by the National Environmental Policy Act and the Environmental Quality Improvement Act of 1970. The Council serves as a source of environmental expertise and policy

analysis for the White House, Executive Office of the President agencies, and other Federal agencies. CEQ promulgates regulations binding on all Federal agencies to implement the procedural provisions of the National Environmental Policy Act and resolves inter-agency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,575,000 for the Council on Environmental Quality, an increase of \$75,000 above the current level. Bill language relative to the use of detailees has been continued again this year.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(TRANSFER OF FUNDS)

Appropriations, 1998	\$34,365,000
Budget estimate, 1999	34,666,000
Committee recommendation	34,666,000

PROGRAM DESCRIPTION

Prior to 1998, the FDIC inspector general's budgets have been approved by the FDIC's Board of Directors from deposit insurance funds as part of FDIC's annual operating budget that is proposed by the FDIC Chairman. A separate appropriation more effectively ensures the independence of the OIG.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$34,666,000 for the FDIC inspector general, which are to be derived by transfer from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund. The Committee is concerned that the FDIC inspector general does not have independent control of the basic personnel decisions of the office, potentially undermining the independence of the office contrary to the spirit of the Inspectors General Act. The Committee believes that the FDIC should recuse itself from all inspector general personnel decisions. In addition, the Committee is and will be receptive to FDIC's comments on its inspector general's budget submissions.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Appropriations, 1998	¹ \$2,429,958,000
Budget estimate, 1999	831,182,000
Committee recommendation	² 1,354,195,000

¹Includes \$1,600,000,000 in supplemental appropriations for disaster relief (Public Law 105-174).

²Includes \$846,000,000 in disaster relief.

GENERAL DESCRIPTION

FEMA is responsible for coordinating Federal efforts to reduce the loss of life and property through a comprehensive risk-based,

all hazards emergency management program of mitigation, preparedness, response, and recovery.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,354,195,000 for the Federal Emergency Management Agency. The amount provided includes \$846,000,000 in disaster relief expenditures and \$508,195,000 for other programs. The amount provided for accounts other than disaster relief are approximately the same as the fiscal year 1998 funding level. The major changes from the President's request include an increase of \$11,000,000 for State and local assistance grants, bringing this program back to the enacted level, and a decrease of \$25,000,000 from the request level for predisaster mitigation grants. The Committee believes it would not be prudent to double the size of this new program in a single year, particularly as grant awards for current year funds were only recently announced and FEMA has not been able to evaluate comprehensively the pilot projects.

The Committee has provided \$846,000,000 for disaster relief, in lieu of the administration's request for \$307,745,000 and an additional \$658,485,000 in disaster relief contingency funds (a total of \$966,230,000). This amount is expected to be sufficient to meet all fiscal year 1999 and prior-year obligational needs. None of the funds are provided as contingent emergency funding.

The Committee notes that FEMA has generally fulfilled the basic requirements of the Government Performance and Results Act in its first annual performance plan to the Congress. However, the Committee is very concerned that FEMA's plan fails to address sufficiently the need to control disaster relief expenditures—a key management issue this Committee has long been concerned with in view of the escalating costs in this program over the past several years. In addition, it is not clear how FEMA will measure its progress as baseline data in most cases is nonexistent. Further, as GAO has noted, "FEMA's financial and information management systems may not have the capacity to generate sufficiently reliable information needed to monitor progress toward its goals." The Committee is further concerned that FEMA's annual performance plan was not coordinated with those agencies whose programs and activities are an integral part of the Federal response to disasters.

It is expected that FEMA will take steps necessary to address such shortcomings, and other specific problems identified by the General Accounting Office on FEMA's annual performance plan, in its fiscal year 2000 plan.

The Committee notes FEMA's budget includes approximately \$2,100,000 for activities necessary to ensure FEMA's information systems will accommodate the year 2000, when it arrives. FEMA is to make this a priority and take all appropriate actions relative to year 2000 compliance requirements.

DISASTER RELIEF

Appropriations, 1998	¹ \$1,920,000,000
Budget estimate, 1999	² 307,745,000
Committee recommendation	846,000,000

¹Includes \$1,600,000,000 in supplemental appropriations.

²The administration requested an additional \$658,485,000 in contingency funds, for a total of \$966,230,000.

PROGRAM DESCRIPTION

Federal disaster assistance is a nationwide program operated pursuant to the Stafford Act. FEMA is authorized to provide Federal assistance to supplement the efforts and resources of State and local governments in response to major disasters and emergencies. Funds may be made available directly to a State or to other Federal agencies as reimbursement of expenditures in disaster relief work performed under this authority. Funds and other assistance may also be made available to individuals, families, and businesses for disaster related needs and expenses. In addition, a variety of other Federal assistance is coordinated under this program.

COMMITTEE RECOMMENDATION

The Committee recommends \$846,000,000 for FEMA disaster relief. This is \$120,230,000 less than the budget request including contingency funds.

A total of \$1,600,000,000 was included for disaster relief in the fiscal year 1998 supplemental appropriation (Public Law 105-174). These funds, together with the \$846,000,000 in additional budget authority, closely approximate the 5-year (1993-97) historical average cost of disaster relief in 1999 dollars. None of the funds recommended by the Committee are contingent emergency funds; the administration had requested \$658,485,000 in addition to the \$307,745,000 in noncontingent appropriations.

The Committee believes the growth in disaster relief expenditures over the past 5 years is unsustainable and fiscally irresponsible. While legislative changes are needed to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Committee believes FEMA could implement administrative changes to the disaster relief program which could result in significant cost-savings. FEMA proposed amendments to the Stafford Act last summer. If implemented, these changes could save \$3,000,000,000 over 5 years according to FEMA's own estimates. While it is unlikely that Stafford Act amendments will be enacted this year, many of the proposed changes likely could be implemented through notice-and-comment rulemaking. As the FEMA Director committed in hearings before this Committee, FEMA is to propose through the regulatory process administrative changes to reduce disaster relief costs, and report to the Committee within 150 days of enactment of this act on its progress. The Committee notes the Director also committed to crafting objective declaration criteria, as recommended by the General Accounting Office. The Committee expects FEMA's administrative changes will address this critical area as well.

The Committee is concerned with a recent audit by the inspector general which found that FEMA does not have an effective grants

management system, which has resulted in grantees not fully complying with FEMA and Federal grant regulations. According to the inspector general, requirements for providing cost-share funds, managing cash, and accounting for and reporting on grant funds are not met consistently. The inspector general's findings confirm the Committee's long-held position that the Disaster Relief Program is badly in need of reform and improved controls on spending. The Committee directs FEMA to implement immediately the inspector general's recommendations, including recouping the \$28,500,000 in overpayments the inspector general identified, collecting the State share of \$2,200,000 in mission assignments identified in the report, and ensuring that the grants management system being developed requires grantees to comply with Federal and FEMA regulations.

The Committee notes FEMA in recent years has made a high priority of mitigation activities, which is laudable as mitigation activities will help reduce the damage to communities—and should result in decreased Federal expenditures—following future disaster events. However, it is not clear that FEMA's approaches under the hazard mitigation 404 program, Project Impact, and other mitigation programs are effectively targeted to projects where the risk of loss—and potential future Federal dollar savings—is the greatest. The Committee requests that the General Accounting Office review how FEMA, in conjunction with the States, ensures that Federal mitigation dollars are used effectively and efficiently.

With respect to the 404 hazard mitigation grant program [HMGP], the Committee is concerned that more than \$1,000,000,000 remains to be obligated despite significant national needs for mitigation. In addition, the Committee notes significant concerns raised by the FEMA Inspector General in a recent report entitled "Improvements are Needed in the Hazard Mitigation Buyout Program." The inspector general's findings included that FEMA has not developed detailed guidance for local communities regarding property acquisition; cost-benefit analysis is often not conducted and the techniques for conducting cost-benefit analysis are not well understood; FEMA has not developed the ability to evaluate the long-term impact of HMGP projects, including buyouts; and the HMGP data base is not capable of providing accurate and specific program data. FEMA is directed to implement the inspector general's six recommendations and ensure that all property acquisition projects funded by FEMA meet stringent cost-benefit requirements.

The Committee believes there is a greater need for interagency coordination on disaster preparedness, response, recovery, and mitigation activities to ensure Federal investments are maximized and to prevent duplication and overlap. The Committee directs FEMA to convene an interagency group to assess areas of duplication and overlap, propose a streamlining of activities, and define clearly areas of responsibility among agencies. In addition, the interagency group is to catalog all Governmentwide mitigation activities. The Committee expects FEMA to provide a report to the Committee within 150 days of enactment of this act.

The Committee supports FEMA's efforts to overhaul the public assistance program, including improving the preliminary damage

assessment process, instituting a cost estimating format, training and credentialing of staff, and closing out disasters within 2 years of the declaration date. This overhaul should reduce administrative costs, improve consistency in decisionmaking and operations, enhance fiscal responsibility, improve tracking of project status and eligibility, and enhance cooperation with stakeholders. FEMA is to provide a report within 120 days of enactment of this act on its progress in this initiative.

The Committee directs FEMA to fund adequately the Urban Search and Rescue Program, to ensure each of the deployable teams have the equipment and resources needed to respond effectively to disasters.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

(LIMITATION ON DIRECT LOANS)

STATE SHARE LOAN

	Program account	Administrative expenses
Appropriations, 1998	\$1,495,000	\$341,000
Budget estimate, 1999	1,355,000	440,000
Committee recommendation	1,355,000	440,000

PROGRAM DESCRIPTION

Under the State Share Loan Program, FEMA may lend or advance to an eligible applicant or State the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act. To be deemed eligible, the Governor must demonstrate, where damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost share.

COMMITTEE RECOMMENDATION

For the State Share Loan Program, the Committee has provided \$25,000,000 in loan authority and \$440,000 in administrative expenses. For the cost of subsidizing the appropriation, the bill includes \$1,355,000.

SALARIES AND EXPENSES

Appropriations, 1998	\$171,773,000
Budget estimate, 1999	171,138,000
Committee recommendation	170,000,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation comprises two activities: *Program support*.—This activity provides for staff and supporting resources to administer the Agency’s various programs at the headquarters, field, and regional levels. The salaries and expenses for flood plain management under mitigation programs and flood insurance operations are provided by transfer from the national flood insurance fund.

Executive direction.—This activity provides staff and supporting resources for the general management and administration of the Agency in legal affairs, congressional and public affairs, personnel, and financial management.

COMMITTEE RECOMMENDATION

The Committee recommends \$170,000,000 for FEMA salaries and expenses. This is \$1,138,000 below the request and \$1,773,000 below the current level.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 1998	\$4,803,000
Budget estimate, 1999	4,930,000
Committee recommendation	5,400,000

PROGRAM DESCRIPTION

The Office of the Inspector General [OIG] conducts, supervises, and coordinates all audits, inspections, and investigations. The OIG supervises and coordinates other activities in the Agency and between the Agency and other Federal, State, and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,400,000 for the Office of the Inspector General, an increase of \$470,000 above the request and \$597,000 above the enacted level. The amount recommended for the inspector general will enable it to come closer to its full authorized strength of 60 FTE's.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriations, 1998	\$243,546,000
Budget estimate, 1999	195,574,000
Committee recommendation	231,000,000

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation provides resources for the following activities which were described previously: Response and recovery; preparedness, training, and exercises; fire prevention and training; operations support; mitigation programs; and executive direction. Flood plain management activity and flood insurance operations are funded by transfer from the national flood insurance fund in fiscal year 1994.

COMMITTEE RECOMMENDATION

The Committee recommends \$231,000,000 for emergency management planning and assistance. This is a reduction of \$12,546,000 below the 1998 level and an increase of \$35,426,000 above the request.

The Committee has included funds for the new predisaster mitigation program in this account, rather than in a separate account as proposed by the administration.

The Committee has made the following changes to the budget request:

- + \$25,000,000 for the predisaster mitigation program. The administration had proposed \$50,000,000 for this activity in a separate account. The Committee fully supports the goals of mitigating against the risks of natural disasters through comprehensive community-based predisaster mitigation efforts. The Committee did not fund fully the administration's request owing to budget constraints, and in view of the fact that this is a new program, pilot projects have not yet been evaluated, and FEMA only recently announced communities invited to participate in the fiscal year 1998 round.
- + \$400,000 for the University of Missouri-Columbia Fire and Rescue Training Institute pilot program to develop and implement hazardous materials training for State fire and emergency services personnel in rural and suburban fringe areas in Missouri. Rural and small community fire and emergency services frequently are inadequately prepared to assist law enforcement or cope with emergencies involving illegal drug production facilities within their jurisdictions. This program is intended to address this critical need.
- + \$2,400,000 above the budget request for implementation of the dam safety program for a total of \$3,900,000.
- + \$11,000,000 above the budget request for State and local assistance through comprehensive cooperative agreements. While the Committee supports State cost-share requirements which reflect a strong and equitable Federal-State partnership, the Committee is concerned that many States are not prepared to accommodate FEMA's proposal to increase State cost-sharing in the State and Local Assistance Grants Program. FEMA should take this into consideration as it makes final determinations on cost sharing. The Committee expects the administration to include cost sharing for all SLA funds in the fiscal year 2000 budget and the Committee intends to support that proposal. FEMA is to ensure States are aware of these planned policy changes far in advance of their implementation.
- + \$3,000,000 above the budget request for terrorism-related initiatives, for a total of \$9,800,000. This supplement will allow FEMA to distribute funds to first responders at the State and local level to begin the purchase of necessary equipment. Such funding should also accelerate the training made available to the State and local personnel that will respond to any such incidents. The Committee believes it is vital that these funds move through FEMA since it has a strong working relationship with the fire community and emergency management communities and it is especially important that those channels be utilized for this new mission.
- \$6,374,000 as a general reduction.

The Committee expects FEMA will work with the Department of Commerce to ensure coordination between DOC's natural disaster reduction initiative and Project Impact.

In an effort to further build on Project Impact's national awareness campaign and community outreach efforts, the Committee directs FEMA to undertake a comprehensive study of existing predisaster mitigation practices and measures which have proven successful in reducing or eliminating loss of life and property due to hurricanes and windborne damage. The study shall focus on those practices and measures implemented in State and local jurisdictions which have proven to be effective in mitigating the risks or impacts of actual natural disasters. Special attention shall be given to communitywide land use and other ordinances and bylaws; building and safety codes; and construction practices and materials (including passive design systems for roofs, walls, and window glazing). The report is due within 1 year of enactment of this act and should be sent to relevant committees of Congress and State emergency management agencies.

The Committee commends FEMA for completing its first State capability assessment for readiness [CAR]. However, the Committee believes the CAR needs refinement as it does not provide a valid baseline for readiness, it does not include an analysis of the particular hazards a State faces, it does not reflect local capabilities, and it is difficult to validate. FEMA should work with the States, the inspector general, and others to improve this assessment instrument. In addition, the Committee notes that the specific areas identified in the CAR as needing significant improvement include planning and equipment for response to nuclear, biological, and chemical terrorist incidents, disaster housing; and coordination between State emergency management agencies and the private sector. FEMA should focus on improving State capabilities in these critical areas, and keep the Committee apprised of its progress.

FEMA is encouraged to consider an application from Florida International University's International Hurricane Center to develop a windstorm impact modeling and assessment program should FEMA determine the HAZUS loss estimation software program will not adequately meet the need to predict better the impact of severe windstorms in vulnerable areas. The Committee notes that its EMPA recommendation includes FEMA's full request of \$5,896,000 for the hurricane program in fiscal year 1999.

FEMA should consider conducting a pilot demonstration of seismic retrofit technologies on at least two existing welded steel frame buildings in two distinct geographically dispersed, seismically active areas in the United States: the New Madrid fault region and a California fault region. The Committee directs that a report be provided by FEMA, on or before March 31, 1999, and again on or before June 30, 1999, to the Committee regarding progress made toward completion of these retrofits and development of an essential data base. The Committee recommends that FEMA establish a steering committee to receive input from industry associations and the technical community regarding the appropriate use of updated building codes and industry standards in performing these retrofits.

The Committee notes FEMA plans to continue to develop the design guidelines for steel moment frame construction in fiscal year

1999, to address the unexpected earthquake performance of this critical type of construction.

The Committee has learned that the expenditure of \$250,000 provided in 1992 as Federal matching funds for the Jones County, MS, Emergency Operating Center [EOC] has been unduly delayed, due to FEMA's determination that the proposed EOC would be located in the 100-year floodplain. Restudy of the tributary in question has found that the planned location of the EOC is, in fact, not within the 100-year floodplain and FEMA has reversed its determination. Therefore, the Committee directs that the 5-year limitation on the expenditure of these funds be extended for an additional 3 years.

FEMA is to conduct a study to determine whether the Emergency Management Institute and the National Fire Academy have adequate capacity to meet the needs of our Nation's emergency professionals in the west. Concerns have been raised that space and budget limitations have prevented NFA and EMI from accepting all qualified applicants for courses at the Emmitsburg campus.

The Committee supports the full budget request for the U.S. Fire Administration and National Fire Academy.

EMERGENCY FOOD AND SHELTER

Appropriations, 1998	\$100,000,000
Budget estimate, 1999	100,000,000
Committee recommendation	100,000,000

PROGRAM DESCRIPTION

The Emergency Food and Shelter Program originated as a one-time emergency appropriation to combat the effects of high unemployment in the emergency jobs bill (Public Law 98-8) which was enacted in March 1983. It was authorized under title III of the Stewart B. McKinney Homeless Assistance Act of 1987, Public Law 100-177.

The program has been administered by a national board and the majority of the funding has been spent for providing temporary food and shelter for the homeless, participating organizations being restricted by legislation from spending more than 2 percent of the funding received for administrative costs. The administrative ceiling was increased to 5 percent under the McKinney Act. However, subsequent appropriation acts limited administrative expenses to 3.5 percent.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of \$100,000,000 for the Emergency Food and Shelter Program. This is the same as the fiscal year 1998 level.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

The Radiological Emergency Preparedness [REP] Program assists State and local governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of commercial nuclear power facilities licensed by the Nuclear Regulatory Commission [NRC]. The Committee has in-

cluded bill language as proposed by the administration which establishes a REP fund. The fund is to be financed from fees assessed and collected from the NRC to recover the cost of the REP program. Currently such fees are deposited in the general fund of the Treasury and are used to offset appropriations. A separate REP fund will allow the program to operate on a more business-like basis and will facilitate improved coordination of planning and exercises.

NATIONAL FLOOD INSURANCE FUND

(TRANSFERS OF FUNDS)

PROGRAM DESCRIPTION

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities which enact and enforce appropriate flood plain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In 1994, the budget assumes collection of all the administrative and program costs associated with flood insurance activities from policyholders.

Under the Emergency Program, structures in identified flood-prone areas are eligible for limited amounts of coverage at subsidized insurance rates. Under the regular program, studies must be made of different flood risks in flood prone areas to establish actuarial premium rates. These rates are charged for insurance on new construction. Coverage is available on virtually all types of buildings and their contents.

COMMITTEE RECOMMENDATION

The Committee has included bill language, providing up to \$22,685,000 for administrative costs from the Flood Insurance Program for salaries and expenses. The Committee has also included bill language providing up to \$78,464,000 for flood mitigation activities including up to \$20,000,000 for expenses under section 1366 of the National Flood Insurance Act.

The Committee recognizes FEMA has significant needs in its mapping program. Approximately 45 percent of FEMA flood maps are at least 10 years old. Many of the older maps are inaccurate and out of date as a result of subsequent development or because newer data and/or improved study methods are now available. FEMA has developed a multiyear flood map modernization plan, totaling \$900,000,000. The plan would include developing accurate and complete flood hazard information for the entire Nation; providing that information in a readily available, easy-to-use format; and alerting and educating the public regarding the risks of flood hazards. Given the critical importance of the maps, the Committee urges the administration to propose a means to fund adequately the mapping modernization requirements in its fiscal year 2000 and future budget requests.

The Committee recommends that FEMA commit an adequate amount of funding to employ the most up-to-date technologies available in order to carry out its work in compiling and disseminating data on floods and flood-damage potential. The Committee notes the significant advantages of using technologies, such as GeoSAR, LIDAR, and microwave radiometry, compared to traditional methods used by FEMA. By combining these technologies, large areas can be mapped quickly and accurately. The highly detailed models which result can be used in planning and implementation of flood prevention and flood-proofing tactics. The Committee further recommends that FEMA work closely with the U.S. Army Corps of Engineers to utilize the same technologies to coordinate their work better.

The Committee has included requested bill language which extends the flood insurance program and borrowing authority for fiscal year 1999, and permits the continuation of flood mapping activities.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriations, 1998	\$2,419,000
Budget estimate, 1999	2,419,000
Committee recommendation	2,419,000

PROGRAM DESCRIPTION

The Consumer Information Center [CIC] was established within the General Services Administration [GSA] by Executive order on October 26, 1970, to help Federal departments and agencies promote and distribute consumer information collected as a byproduct of the Government's program activities.

The CIC promotes greater public awareness of existing Federal publications through wide dissemination to the general public of the Consumer Information Catalog. The catalog lists both sales and free publications available from the Government Printing Office [GPO] distribution facility in Pueblo, CO. In fiscal year 1993, the CIC distributed a total of 11.7 million publications. Distribution costs of the free publications are financed by reimbursements from the Federal agencies to the Consumer Information Center.

Public Law 98-63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, CIC activities are financed from the following: annual appropriations from the general funds of the Treasury, reimbursements from agencies for distribution of publications, user fees collected from the public, and any other income incident to CIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,419,000 for the Consumer Information Center, the same as the budget estimate and the enacted level.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user

fees from the public, and other income. CIC's anticipated obligations for fiscal year 1999 will total approximately \$6,600,000, approximately one-half of which is directly attributable to publication distribution costs.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriations, 1998	\$13,648,000,000
Budget estimate, 1999	13,465,000,000
Committee recommendation	13,615,000,000

GENERAL DESCRIPTION

The National Aeronautics and Space Administration was established by the National Aeronautics and Space Act of 1958 to conduct space and aeronautical research, development, and flight activities for peaceful purposes designed to maintain U.S. preeminence in aeronautics and space. These activities are designed to continue the Nation's premier program of space exploration and to invest in the development of new technologies to improve the competitive position of the United States. The NASA program provides for a vigorous national program ensuring leadership in world aviation and as the preeminent spacefaring nation.

COMMITTEE RECOMMENDATION

The Committee recommends \$13,615,000,000 for the National Aeronautics and Space Administration for fiscal year 1999. This amount is \$150,000,000 above the President's budget request.

The Committee continues to support the broad range of activities and programs undertaken by NASA because of their inherent value in promoting civilian space exploration, scientific advancement, and the development of next-generation technologies. However, consistent with the language included in last year's conference report (House Report 105-297) the Committee continues to be very troubled about the potential that escalating cost pressures from the International Space Station Program might have on other NASA activities, particularly science and aeronautics. This is especially true in light of the analysis contained in the recently released independent cost assessment and validation [CAV] report, also known as the Chabrow report. Moreover, NASA's 1999 budget submission does not address the concerns articulated in last year's conference report. While space science is proposed to do very well over the next 5 years, in the fiscal year 1999 budget runout, Earth science and aeronautics are slated for budget reductions, especially the latter enterprise.

The Committee is also deeply troubled with the frequency with which NASA reallocates funding within, and requests permission to transfer funding between, its three existing major appropriation accounts (human space flight; science, aeronautics, and technology; and mission support). While the Committee agrees that some flexibility must be provided to cope with small variations in program planning and execution that inevitably occur during a given 12-month period, the degree to which NASA shifts funding from one program to another has far surpassed our expectations.

As a result of these concerns, the Committee's interest in the Office of Management and Budget initiative to implement full-cost ac-

counting in all NASA programs, the need to assist the Committee in monitoring NASA's spending, and to ensure that funding is spent for the purposes intended by Congress, the Committee recommendation has included a restructuring of NASA's current appropriations accounts.

The Committee expects NASA's budget submission for fiscal year 1999 to reflect this new account structure, as well as how the agency intends to implement its performance plan for its activities consistent with the Government Performance and Reports Act. NASA needs to provide additional clarity on its performance goals as well as the benchmarks it will use to assess its performance.

To ensure greater accountability of international space station activities, the "Human space flight" account has been deleted and two separate accounts have been created entitled "International space station" account and "Launch vehicle and payload operations" account. The "International space station" account includes all international space station activities formerly funded in the "Human space flight" account. The amount provided is \$2,300,000,000 which is \$30,000,000 above the President's budget request for these activities. The "Launch vehicle and payload operations" account includes all space shuttle and payload utilization activities formerly funded in the "Human space flight" account. The amount provided is \$3,241,000,000, which is the same as the President's budget request for space shuttle and payload utilization activities.

In order that critical aeronautics and space transportation technology activities be protected from budget reductions, a separate account has been created entitled "Aeronautics, space transportation and technology" account. This account includes aeronautics and space transportation technology activities formerly funded in the "Science, aeronautics, and technology" account. The amount provided is \$1,305,000,000, which is the same as the President's budget request for aeronautics and space transportation technology activities. With respect to the agency's science and academic programs, these activities are funded in the renamed "Science and technology" account. The amount provided is \$4,257,400,000, which is \$105,000,000 above the President's request for all activities associated with space science, Earth science, life and microgravity science, mission communications, and academic programs which were formerly funded in the "Science, aeronautics, and technology" account.

The Committee expects NASA to work with the Committee on OMB's recommendation for full-cost accounting for NASA, on NASA's continuing efforts to meet the requirements of the Government Performance and Reports Act (including consultation with the Committee on quantifiable goals and benchmarks), and on a smooth transition to the new account structure that will enhance NASA's capacity to present its programs and activities.

In addition, because of the Committee's substantial concern regarding the need of all Federal agencies, as well as the private sector, to come to terms and address the year 2000 computer crisis, the Committee directs NASA to submit a report to the Committee no later than December 1, 1998, on the status of NASA's efforts to resolve the year 2000 computer crisis, including a schedule for each

program and activity and all associated expenditures. The Committee is concerned particularly with NASA's efforts on the year 2000 computer crisis because of the significant and complex technological nature of its activities. NASA is directed to consider this area a priority.

The Committee also notes that NASA has taken major steps to consolidate the control and management of space operations through the newly created space operations management office [SOMO], and is on the verge of its first major action under this new structure with the imminent award of the consolidated space operations contract [CSOC]. As NASA continues to refine and develop its operating practices for space operations under SOMO, the Committee wishes to be updated on a real-time basis. Moreover, as NASA begins to embark upon full-cost accounting, the Committee believes that for the fiscal year 2000 budget submission, SOMO activities should be accounted for in a consolidated resource schedule.

Because this new office's responsibilities reach uniquely across all NASA enterprises and flight centers, the consolidated resource schedule should reflect, from all appropriations accounts, a detailed breakdown of all funding sources for the SOMO office, the purpose for that funding, and a subset program element that identifies CSOC activities. It should also include a detailed breakout of all major activities including consolidated services, procurement activities, information services, civil service FTE costs, and any other function that comprises a major activity for the office.

In order to help the Committee better understand the new role that SOMO will play in NASA operations, the Committee expects the Chief Financial Officer to submit a report no later than August 1, 1999, that details the use of all SOMO-controlled funds, by current NASA appropriations account, program element, and flight center, for fiscal year 1999, and what is reasonably projected in each year of the 5-year budget runout (fiscal years 1999–2003).

The Committee recognizes the critical nature of continuing efforts to consolidate and increase the efficiencies of NASA's space communications activities. The Committee has made clear its keen interest in the cost-saving potential of the Consolidated Space Operations Contract [CSOC]. Accordingly, to enable the Committee to evaluate whether CSOC will achieve its anticipated savings, NASA is directed to submit a report no later than April 30, 1999, on the savings realized in the first 6 months of full implementation of CSOC, and a report on the expected savings every 6 months through 2005. The April 30 report should also contain a detailed plan for how NASA expects to fully commercialize CSOC functions by 2005 and an exploration of activities in other Federal agencies that have similar requirements for space communications such as the Department of Defense and National Oceanic and Atmospheric Administration and how they relate to CSOC.

HUMAN SPACE FLIGHT

Appropriations, 1998	\$5,506,500,000
Budget estimate, 1999	5,511,000,000
Committee recommendation	

The Committee has not provided funds for the “Human space flight” account. Instead, the Committee has created two new accounts, detailed below.

INTERNATIONAL SPACE STATION

Appropriations, 1998	
Budget estimate, 1999	
Committee recommendation	\$2,300,000,000

PROGRAM DESCRIPTION

NASA’s “International space station” account provides funding for the continued development of the space station and activities which support utilization of the space station, as well as advanced technology projects and engineering technical base support for the field centers supporting space station activities.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,300,000,000 for the International Space Station [ISS] Program. This amount is \$30,000,000 above the President’s budget request for these activities.

The Committee has been and continues to be a strong supporter of the international space station. When completed, the space station will provide an unparalleled opportunity to conduct research in the near zero-gravity environment of space. The results of that research will benefit future human exploration by increasing our understanding of how to live and work in space, and provide tangible benefits to mankind through advances in biomedicine and materials science.

Nevertheless, the Committee is concerned greatly about the continuing increased costs for the ISS Program. The long history of space station cost overruns has reached yet another and unprecedented level with the recent release of the report by the independent cost assessment and validation [CAV] team headed by Jay Chabrow. The CAV report estimates that the space station will cost \$24,700,000,000 instead of \$17,400,000,000, will take up to 38 months longer to build than NASA’s current estimates, and will require additional funding of between \$130,000,000 to \$250,000,000 per year above the President’s fiscal year 1999 budget submission to Congress.

Unfortunately, the administration’s response to this funding dilemma is to propose that additional funding for the space station must be provided by raiding NASA’s other vital programs. Although the Committee firmly believes that space station activities are vital to America’s future, it does not feel that the ISS is more important than the other exciting and rewarding activities that NASA supports in science, aeronautics, technology development, and space flight programs. As the Committee has stated repeatedly in the past, it supports a balanced space and aeronautics program, including human exploration and development of space, space science, Earth science, and aeronautics and space transportation technology. Thus, while the Committee has significantly augmented the administration’s budget request for the International Space Station Program, it will not look favorably upon requests to reprogram or transfer funds from other NASA programs to aug-

ment that budget level. As much as the Committee wants the space station built and scientific research to begin, that goal should not be accomplished at the price of other scientific discoveries and technological advances that can be achieved by other NASA programs.

The Committee fully supports deployment of the international space station, but recognizes the funds appropriated by this act for the development of the international space station may not be adequate to cover all potential contractual commitments should the program be terminated for the convenience of the Government. Accordingly, if the ISS is terminated for the convenience of Government, additional appropriated funds may be necessary to cover such contractual commitments. In the event of such termination, it would be the intent of the Committee to provide such additional appropriations as may be necessary to provide fully for termination payments in a manner which avoids impacting the conduct of other ongoing NASA programs.

LAUNCH VEHICLES AND PAYLOAD OPERATIONS

Appropriations, 1998	
Budget estimate, 1999	
Committee recommendation	\$3,241,000,000

PROGRAM DESCRIPTION

NASA's "Launch vehicles and payload operations" account provides funding to maintain space transportation capabilities, flight and other activities required for the continued safe operation of the space shuttle, and funding for the support of payloads flying on the shuttle and space lab, as well as advanced technology projects and engineering technical base support for the field centers supporting space shuttle activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,241,000,000 for the space shuttle and payload utilization activities. This amount is the same as the President's budget request for these activities.

The "Launch vehicles and payload operations" account includes safety and performance upgrades, and shuttle operations. It also includes funds previously provided within the Payload and Utilization Operations Program element in the "Human space flight" account.

The Launch Vehicles and Payload Operations Program provides launch services to a diversity of customers, supporting payloads that range from small hand-held experiments to large laboratories. These services include launching spacecraft and retrieving payloads from orbit for reuse, serving and repairing satellites in space, safely transporting humans to and from space, and operating and returning space laboratories.

SCIENCE, AERONAUTICS, AND TECHNOLOGY

Appropriations, 1998	\$5,690,000,000
Budget estimate, 1999	5,457,400,000
Committee recommendation	

The Committee has not provided funds for the “Science, aeronautics, and technology” account. Instead, the Committee has created several new accounts, detailed below.

SCIENCE AND TECHNOLOGY

Appropriations, 1998	
Budget estimate, 1999	
Committee recommendation	\$4,257,400,000

PROGRAM DESCRIPTION

NASA’s “Science and technology” account provides funding for science, research and development programs that extend knowledge of the Earth, its space environment, and the universe; to expand the practical applications of space technology; and to educate future generations necessary to accomplish national goals.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,257,400,000 for science and technology activities. This amount is \$105,000,000 above the the President’s budget request for these activities and also reflects the transfer of aeronautics and space transportation technology activities to another separate appropriation account.

The new “Science and technology” account provides appropriations for activities requested for the Office of Space Science, the Office of Earth Science, and the Office of Life and Microgravity Science and Applications. In addition it includes funds for academic programs, mission communications, and those for safety, reliability, and quality assurance [SR&QA].

The Committee is aware of several recent reports by the National Research Council [NRC] that make clear that despite the promise of NASA’s smaller, faster, cheaper, better philosophy for lowering costs and shortening development times for scientific spacecraft, there are some scientific objectives that cannot be accomplished within the limited parameters of such missions. The Committee, therefore, directs NASA to contract with the NRC for a study across all space science and Earth science disciplines to identify missions that cannot be accomplished within the parameters imposed by the smaller, faster, cheaper, better regime. The report should focus on the next 15 years, and attempt to quantify the level of funding per project that would be required to meet the specified scientific goals. The report also should identify any criteria and methods that could be used to measure whether the science accomplished using small satellites is better than that accomplished with larger, more complex spacecraft. The report is to be submitted to the Committee no later than September 30, 1999.

The Committee has provided \$2,108,400,000 for space science activities. This amount is \$50,000,000 above the President’s budget request.

NASA’s Space Science Program seeks to answer fundamental questions concerning the galaxy and the universe; the connection between the Sun, Earth, and heliosphere; the origin and evolution of planetary systems; and the origin and distribution of life in the universe. The Space Science Program is comprised of a base program of research and development activities, including research

and flight mission activities and major flight missions which provide major space-based facilities.

The Committee recommendation supports the President's full budget request of \$111,700,000 for the space infrared telescope facility [SIRTF].

The Committee notes that the Mars 2001 surveyor orbiter and lander mission contains a number of proposed instruments that will be utilized for scientific characterization of the Martian surface. These costs, totaling about \$55,000,000, would go for instrumentation and payloads on the proposed Martian lander, as well as modifications on the spacecraft, to accommodate these instruments. Unfortunately, the Committee also is aware that until early this year, these costs were to be paid for by the human space enterprise. However, these costs have been reassigned recently from the human space enterprise to the space science enterprise. This action means a change from the baseline requirements of the Mars mission and, therefore, should have been subject to the operating plan or reprogramming procedures employed by the Committees on Appropriations.

The Committee has, therefore, provided \$20,000,000 for spacecraft, payload, instrumentation, and related costs on the Mars 2001 mission originally budgeted out of human space flight that have been reassigned to the Office of Space Science. Restoring funds for this purpose in the space science budget will help space science avoid having to absorb mandates for which it does not have the resources available or budgeted for in future years, and prevent funding reductions in other important space science missions and activities.

The Committee continues to oppose any efforts to tax space science activities to pay for human space flight activities whether it is through legislative transfer authority or by tasking it with unfunded mandates. The Committee also directs NASA to restore the Mars 2001 funding profile in the fiscal year 2000 budget submission to reflect the original budget baseline. Last, in the future, the Committee expects any similar proposed transfer of responsibilities to be handled through the operating plan or the normal reprogramming process.

The Committee commends NASA for its efforts to increase competition in the award of advanced technology development [ATD] funds. The Committee supports this effort and has provided \$20,000,000 for space science cross-cutting advanced technology development. These funds are to be applied to the base of ATD funds already assumed in the President's budget request that will be awarded through competitive announcements of opportunities.

The Committee has also provided an additional \$7,000,000 for advanced technology development on the next generation space telescope [NGST]. The Committee expects NASA to provide an additional \$5,000,000 beyond this amount, derived from prior-year uncosted funds to augment NGST's budget in 1998-99 by \$12,000,000 to guarantee a fiscal year 2003 new start for the project.

The Committee recommendation has provided \$11,000,000 above the President's budget request for Sun-Earth connecting advanced technology development to provide full funding for solar-B, con-

tinue funding for microsatellite technology, and to support a 2002 launch date for solar stereo.

The Committee recommendation also has provided \$1,000,000 for an astronomical satellite telescope operated at Western Kentucky University.

The Committee recommendation includes \$4,000,000 in support of a center for space science and technology at Huntsville, AL.

The Committee has provided \$1,397,000,000 for Earth science activities. This amount is \$25,000,000 above the President's budget request.

The objective of NASA's Earth Science Program is to understand the total Earth system and the effects of natural and human-induced changes on the global environment. Earth science has three broad goals: to expand scientific knowledge of the Earth using NASA's unique capabilities from the vantage points of space, aircraft, and in other such platforms; to disseminate information about the Earth system; and to enable productive use of Earth science and technology in the public and private sectors.

The Committee is aware that NASA's EOS program has had significant new requirements placed upon it while absorbing several budget reductions. These new requirements include all development costs for the Landsat-7 spacecraft, an accelerated launch schedule, a substantially more complex ground system, including a totally new architecture to integrate the EOSDIS into the World Wide Web and a substantially larger amount of software development. The Committee also recognizes that NASA's EOS program, as it approaches launch of the AM-1 and Landsat-7 spacecraft, faces potential fiscal and schedule challenges due to final integration and testing of both the spacecraft and ground system components. The Committee has, therefore, provided \$25,000,000 to support EOS AM-1 launch requirements, including interoperability of the EOS ground systems.

The Committee continues to support the specific programs aimed at fostering the development of a viable U.S. commercial remote sensing industry, including cooperative sponsored research projects with other Federal agencies and market-focused applications projects with commercial partners such as NASA's focused applications projects with commercial partners such as NASA's focused research with Mississippi State University, the U.S. Department of Agriculture, and the commercial sector for remote sensing applications in agriculture and forestry which are being carried out at Stennis Space Center, NASA's lead center for commercial remote sensing. The Committee provides \$10,000,000 for a remote sensing project at Mississippi State University.

The Committee supports NASA's efforts with respect to the LightSAR Program. Spaceborne synthetic aperture radars [SAR's] provide an all-weather method for remote sensing/monitoring of the Earth's surface. Demonstrated capabilities include monitoring crops and natural vegetation, natural hazards, soil moisture, snow cover, land use, topographic mapping, oil/mineral exploration, oilspill detection, environmental monitoring, ocean waves, and winds, as well as ice on the seas, lakes, and glaciers. The United States developed SAR technology and NASA has demonstrated both scientific and operational applications using SEASAT and the shuttle imaging ra-

dars during the past 20 years. Now, Canada, Japan, and the European Space Agency have operational systems. To affirm U.S. leadership in civilian spaceborne radar, NASA is encouraged to proceed with the LightSAR mission and to set a target launch date of 2001. To further NASA's and the U.S. Government's goal of promoting commercial development of spaceborne remote sensing systems, the Committee encourages NASA to pursue a commercial partner for LightSAR that is responsible for operation of the system and that best demonstrates the ability to develop the commercial market for radar image and derived radar products.

The Committee urges NASA to continue support of the environmental research aircraft and sensor technology [ERAST] remotely piloted aircraft [RPA] performing flight operations in Hawaii at the Pacific missile range facility [PMRF]. The Committee notes that the ERAST team achieved two sequential work altitude records with its Pathfinder solar-powered RPA. In addition, the Pathfinder flew a series of science missions over Kauai that provided useful data on Hawaii's rich ecology. The Committee encourages further development of ERAST to promote reusable solar electric aircraft for science and environmental research.

The Committee recommendation includes \$242,000,000 for life and microgravity science activities. This amount is the same as the President's budget request.

The Life and Microgravity Science Program uses the microgravity environment of space to conduct basic and applied research to understand the effect of gravity on living systems and to conduct research in the areas of fluid physics, materials science, and biotechnology. The Life and Microgravity Science Program will conduct research, and provide the opportunity to refine the definition, design, and development of experimental hardware planned for the international space station.

The Committee is aware of NASA's efforts to strengthen life sciences research through the National Space Biomedical Research Institute [NSBRI]. In its short period of existence, the NSBRI has distinguished itself for providing top quality research on human space flight and supporting the efforts of NASA's Office of Life Sciences in utilizing the results of space-based research for application to mainstream biomedical scientific knowledge. For this reason, the Committee strongly encourages NASA to augment significantly the budget of the NSBRI in its fiscal year 2000 budget submission, including a substantial expansion of extramural scientific proposals funding through the Institute.

The Committee recommendation has provided \$2,000,000 for a center on life in extreme thermal environments at Montana State University in Bozeman.

The Committee has provided \$130,000,000 for academic programs. This amount is \$30,000,000 above the President's budget request.

The objective of NASA's academic programs is to promote excellence in America's education system through enhancing and expanding scientific and technological competence. Activities conducted within academic programs capture the interest of students in science and technology, develop talented students at the undergraduate and graduate levels, provide research opportunities for

students and faculty members at NASA centers, and strengthen and enhance the research capabilities of the Nation's colleges and universities. NASA's education programs span from the elementary through graduate levels, and are directed at students and faculty. Academic programs includes the Minority University Research Program, which expands opportunities for talented students from underrepresented groups who are pursuing degrees in science and engineering, and to strengthen the research capabilities of minority universities and colleges.

The Committee has included \$23,500,000 for the National Space Grant College and Fellowship Program. The Committee expects NASA to consider this level to be the future baseline for the Space Grant Program. The increase in funding over the fiscal year 1998 funding level shall be used to (1) hold a prompt competition among the eligible States for promotion to designated status; and (2) begin the development through the Space Grant Program to encourage the practical application of aerospace technology and science in partnership with cooperative extension and natural resource programs.

The Committee recommendation has included \$14,600,000 for the NASA EPSCoR Program, \$10,000,000 above the budget request. The Committee expects NASA to conduct a new solicitation in fiscal year 1999. It also expects NASA EPSCoR to support a broad range of research areas in each EPSCoR State, drawn from Earth science, space science, aeronautics and space transportation technology, and human exploration and development of space, and to distribute the awards, competitively, to the largest number of eligible States possible.

The Committee has provided \$55,900,000 for NASA's minority university research and education activities. This amount is \$10,000,000 above the President's budget request. These additional funds are for a competitively selected grant program to strengthen graduate science, mathematics, engineering, and technology education at historically black colleges and universities. The Committee notes that African-Americans are severely underrepresented at the doctoral level in many sciences, mathematics, engineering, and technology fields. The Committee, therefore, directs NASA to make not more than four awards to historically black graduate institutions that offer doctoral degree granting programs in engineering and science-related education.

The Committee recommendation has provided \$3,500,000 for the NASA International Earth Observing System [EOS] Natural Resource Training Center at the University of Montana, Missoula, MT; \$2,000,000 for Environmental Computer Center at Oregon State University; \$2,000,000 for a center for advanced information technology at the University of Maryland, College Park; \$2,000,000 for an institute for research in commercial remote sensing applications at the University of Missouri-Columbia; \$2,500,000 for the Bishop Museum/Mauna Kea Astronomy Education Center; \$3,000,000 for the U.S. Space and Rocket Center in Huntsville, AL; the full-budget request of \$2,000,000 for the classroom of the future; \$1,000,000 for the pipelines project at Iowa State University/Southern University—Baton Rouge; \$2,000,000 for the Chabot Observatory and Science Center, Oakland, CA; and \$1,000,000 for the

continued development and refinement of visualization techniques and capabilities currently underway through the consortium for the application of space data to education [CASDE] to incorporate remotely sensed data and information into formal informational and educational programs.

AERONAUTICS, SPACE TRANSPORTATION AND TECHNOLOGY

Appropriations, 1998 .....	.....
Budget estimate, 1999 .....	.....
Committee recommendation	\$1,305,000,000

PROGRAM DESCRIPTION

NASA’s “Aeronautics, space transportation and technology” account provides funding for research and development of technology to improve the performance of aeronautical vehicles while minimizing their environmental effects and to continue the development of other aeronautical and space launch technology.

COMMITTEE RECOMMENDATION

The Committee has provided \$1,305,000,000 for the aeronautics and space transportation technology program. This amount is the same as the President’s budget request for these activities.

The new “Aeronautics, space transportation and technology” account includes appropriations for the Office of Aeronautics and Space Transportation Technology’s Programs, including commercial technology programs and the small business innovation research [SBIR] program.

The objective of the Aeronautics and Space Transportation Technology Program is to pioneer long-term, high-risk, high-payoff technologies that are effectively transferred to industry and Government. The program’s technology goals are grouped into three areas to reflect the national priorities for aeronautics and space: global civil aviation; revolutionary technology leaps; and access to space. The Aeronautics and Space Transportation Technology Program includes: Aeronautics, that addresses critical aeronautical safety, environmental, airspace productivity, and aircraft performance needs at national and global levels; space transportation technology, that will develop technology for the next generation space transportation system, with a target of reducing vehicle development and operational costs dramatically; and commercial technology, that consists of conducting a continuous inventory of newly developed NASA technologies, maintaining a searchable data base of this inventory, assessing the commercial value of each technology, disseminating knowledge of these NASA technology opportunities to the private sector, and supporting an efficient system for licensing NASA technologies to private companies. This program also includes the operation of the Small Business Innovation Research Program which is designed to enhance NASA’s use of small business technology innovators.

The Committee understands that the administration has proposed legislation for NASA to eliminate a gap in current law governing the sharing of financial risk for space endeavors, specifically to ensure unimpeded progress in development and testing of the X-33 and X-34 reusable launch vehicle technology and to facilitate

U.S. commercial use of the International Space Station. The legislation would extend NASA's current indemnification authority to provide NASA the ability to indemnify developers of experimental aerospace vehicles, such as the X-33 and X-34 vehicles, against claims by third parties, thereby maximizing the resources which can be invested in the actual technology demonstrations (this is similar to existing law governing the U.S. commercial launch industry, under which the Department of Transportation is authorized to provide indemnification for claims above insurance coverage). The legislation would also provide clear statutory authority for NASA to conclude cross-waivers of liability with U.S. companies, similar to existing NASA authority to conclude such waivers with foreign partners in aerospace activities. This authority would enable NASA to enter into agreements with the developers of the X-33 and X-34, and U.S. participants in such significant activities as the International Space Station Program, whereby each party agrees to assume the risk of damage to its assets, and agrees not to sue any other involved party (effectively reducing potential financial risk and making more private sector dollars available for direct investment in the space program).

The Committee also understands that enactment of this legislation is time critical, in as much as flight testing of the X-33 and X-34 are scheduled to begin in early 1999, and the first elements of the international space station are due to be launched later this year. While this legislation is not included in this bill, the Committee expects this legislation to be enacted this year.

The Committee recommendation supports the President's budget request of \$388,000,000 for advanced space transportation and technology [ASTT] which includes funding to support propulsion test activities at Stennis Space Center; \$13,940,000 for the independent verification and validation [IV&V] facility; and \$7,200,000 for the National Technology Transfer Center.

The Committee has included \$1,500,000 for ongoing NASA aerospace projects at MSE-Technology Applications, Western Environmental Technology Office, Butte, MT, to allow the continuation of ongoing research and development projects on high-priority aerospace technology; \$2,000,000 for an atmospheric research small expendable deployed phase-B study; and \$2,000,000 for MSU in Bozeman, MT, to carry out research into advanced hardware and software technologies for development of advanced optoelectronic materials.

The Committee also directs NASA to increase funding for the Small Business Incubator Program by \$5,000,000 over the budget request for fiscal year 1999, with at least two new business incubators designated, at least one of which is to be located in Florida.

The Committee strongly supports NASA's request of \$20,000,000 for undertake the future space launch studies with the goal of reducing NASA's cost of space launch. These industry-led studies will provide a unique opportunity for taking advantage of the tremendous growth in the commercial space industry. The Committee, therefore, requests that these efforts also examine possible modifications to NASA's space launch requirements that could enable greater commercial participation. These modifications include human ratings requirements, downmass requirements, and oppor-

tunities for allowing smaller launch systems to service the International Space Station. In addition to industry and NASA, an independent organization should provide an evaluation of this task. Second, the Committee also directs NASA as part of this effort to examine the design, cost, and schedule associated with development of a two-way crew transfer vehicle [CTV] to service the International Space Station instead of a one-way crew return vehicle [CRV]. A CTV could also be launched on existing and planned U.S. commercial launch vehicles, backup the space shuttle during downtimes, and provide an eventual transition path for space shuttle replacement vehicles. As such, the Committee believes that CRV development should not commence until the Committee has fully reviewed the CTV option. Third, given the continued Russian economic turmoil, the Committee also expects NASA to augment the studies effort to investigate the purchase of commercial services from United States industry that could replace the Russian Government's contribution of Soyuz and Progress vehicles that are manifested to support the International Space Station. NASA should submit the results of these three tasks along with the fiscal year 2000 budget submission.

The Committee is also aware that NASA is investing substantial funds to conduct internal and external studies for the potential replacement of the space shuttle's solid rocket boosters with a liquid fly back booster [LFBB] system. Presumably this LFBB study effort would be available for decisions around the year 2000 regarding a launch system or systems to replace the shuttle as currently configured. In the Committee's view, it would be most beneficial to have information available on an upgraded version of the current solid rocket booster that can provide essentially the same performance as the envisioned LFBB. This would allow alternatives to be weighed if a decision is made to enhance the shuttle's capability and extend its operational life. The Committee, therefore, directs NASA to provide an additional \$4,000,000 to the future launch studies effort within advanced space transportation. These funds are to be utilized by NASA and appropriate private sector companies to complete a phase A study on an extended (five segment) version of the current (four segment) solid rocket booster. It is anticipated that the study will be complete by June 30, 1999.

MISSION SUPPORT

Appropriations, 1998	\$2,433,200,000
Budget estimate, 1999	2,476,600,000
Committee recommendation	2,491,600,000

PROGRAM DESCRIPTION

This appropriation provides for mission support including safety, reliability, and mission assurance activities supporting agency programs; space communications 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 operations activities supporting conduct of agency programs.

Funds provided in the "Mission support" account pay for NASA civil service salary and related expenses, travel, construction of facilities, and research operations support [ROS] contractors.

COMMITTEE RECOMMENDATION

The Committee has provided \$2,491,600,000 for mission support activities. This amount is \$15,000,000 more than the President's budget request for these activities.

The Committee has concerns regarding the level of NASA's uncosted budget authority. The Committee recognizes that uncosted budget authority is comprised of both unobligated budget authority and not costed obligations. Uncosted obligations are the funded value of bona fide contracts, subject to the force of public law and executive regulation. In addition, the Committee recognizes the progress NASA has made improving business practices to facilitate timely obligation of budget authority. The Committee believes accrued cost planning and control, and the resulting uncosted obligations metric are important internal tools that NASA managers should use to monitor programs regularly. The Committee believes NASA must take immediate and permanent steps to reduce unobligated budget authority to the very minimum. The Committee believes that the amount of unobligated budget authority at fiscal year end should be no more than amounts attributable to: unutilized program reserves planned for the budget year but carried forward and available to the program; procurements which, for procedural reasons, could not be obligated; and requirements deriving from prudent management of the Agency resources. The Committee will monitor closely the unobligated balance of the agency as a benchmark of financial stewardship.

The Committee also strongly supports NASA's efforts with respect to the development of the integrated financial management system [IFMP] and has provided an additional \$15,000,000 above the President's budget request for these activities.

The Committee recommendation includes \$2,500,000 to complete the facilities at the Stennis Space Center. The Committee supports NASA's ongoing test facility modernization and manpower enhancements to support growing test requirements. NASA's program at Stennis Space Center [SSC] is in the second year of a 5-year plan to complete and modernize test facilities to accomplish test programs for NASA, DOD, and commercial development programs, and will permit consolidation and enhance efficiency of the Nation's propulsion test assets. This investment supports the SSC's role as the center of excellence for propulsion testing and coupled with funding from DOD and commercial developers it will provide necessary SSC test facility enhancements to accommodate test requirements for their programs, such as engines for the Evolved Expendable Launch Vehicle [EELV] Program.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1998	\$18,300,000
Budget estimate, 1999	20,000,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

The Office of Inspector General was established by the Inspector General Act of 1978. The Office is responsible for providing 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.

COMMITTEE RECOMMENDATION

The Committee recommends \$20,000,000 for fiscal year 1999, an increase of \$1,700,000 over the fiscal year 1998 appropriation level and the same as the President's budget request.

ADMINISTRATIVE PROVISIONS

The Committee recommendation includes a series of provisions, proposed by the administration, which are largely technical in nature, concerning the availability of funds. These provisions have been carried in prior-year appropriation acts.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 1998	\$600,000,000	\$203,000
Budget estimate, 1999	600,000,000	176,000
Committee recommendation	600,000,000	176,000

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630) as a mixed-ownership Government corporation within the National Credit Union Administration. It is managed by the National Credit Union Administration Board and is owned by its member credit unions.

The purpose of the facility is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for facility services, credit unions invest in the capital stock of the facility, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the facility are the stock subscriptions from credit unions and borrowings.

The facility may borrow funds from any source, with the amount of borrowing limited by Public Law 95-630 to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to ac-

commodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends the administration's proposed limitation of \$600,000,000 in loans from the central liquidity facility for fiscal year 1999. The Committee also recommends the budget request of limiting administrative expenses for the CLF to \$176,000 in fiscal year 1999.

NATIONAL SCIENCE FOUNDATION

Appropriations, 1998	\$3,429,000,000
Budget estimate, 1999	3,773,000,000
Committee recommendation	3,644,150,000

GENERAL DESCRIPTION

The National Science Foundation was established as an independent agency by the National Science Foundation Act of 1950 (Public Law 81-507) and is authorized to support basic and applied research, science and technology policy research, and science and engineering education programs to promote the progress of science and engineering in the United States.

The Foundation supports fundamental and applied research in all major scientific and engineering disciplines, through grants, contracts, and other forms of assistance, such as cooperative agreements, awarded to more than 2,000 colleges and universities, and to nonprofit organizations and other research organizations in all parts of the United States. The Foundation also supports major national and international programs and research facilities.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,644,150,000 for the National Science Foundation for fiscal year 1999. This amount is \$215,150,000 more than the 1998 level and \$128,850,000 less than the budget request.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 1998	\$2,545,700,000
Budget estimate, 1999	2,846,800,000
Committee recommendation	2,725,000,000

PROGRAM DESCRIPTION

The research and related activities appropriation addresses Foundation goals to enable the United States to uphold world leadership in all aspects of science and engineering, and to promote the discovery, integration, dissemination, and employment of new knowledge in service to society. Research activities will contribute to the achievement of these goals through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and the public and private

sectors; and bringing the perspectives of many disciplines to bear on complex problems important to the Nation.

The Foundation's discipline-oriented research programs are: biological sciences; computer and information science and engineering; engineering; geosciences; mathematical and physical sciences; and social, behavioral and economic sciences. Also included are U.S. polar research programs, U.S. antarctic logistical support activities, and the Critical Technologies Institute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,725,000,000 for research and related activities. This amount is \$179,300,000 above the fiscal year 1998 level and \$121,800,000 less than the budget request.

While the Committee strongly supports the goals of the National Science Foundation and recognizes the importance that the Foundation places in the primary initiatives of knowledge and distributed intelligence [KDI], life and Earth's environment [LEE], and educating for the future [EFF], the Committee remains concerned over the National Science Foundation's failure to provide a budget justification for fiscal year 1999 that meets the requirements of the Government Performance and Results Act. It is important that all initiatives and programs of NSF be identified with specific funding as well as quantifiable goals and milestones. The Committee expects NSF's fiscal year 2000 budget to establish quantifiable goals and milestones and, absent compliance, the Committee may have to consider appropriating program specific funding.

The Committee directs NSF to submit a plan to the Committee by December 1, 1998, detailing a schedule, and all needed activities and associated costs (including where the costs will be paid from) for resolving all year 2000 computer problems within the agency. No operating plan will be approved unless this plan has been submitted. The Committee also directs NSF, in conjunction with the Office of Science and Technology Policy, to report to the Committee no later than June 30, 1999, on the extent to which the year 2000 computer problem will impact universities and technological efforts in the United States as well as an assessment on the impact on science, technology, and research throughout the world.

The Committee is aware of the report on the national plant genome initiative produced by the administration's Interagency Working Group [IWG] on Plant Genomes and commends the administration for its strong support of the plant genome initiative [PGI] funded by Congress in fiscal year 1998. The goals of this ambitious new program are to advance our understanding of the structure, organization, and function of the genomes of economically significant plants to improve the useful properties of plants that are important to humanity. The challenges of ensuring an economically and environmentally sustainable source of food and fiber for a population which is expected to double in the next 30 years can only be achieved by breakthrough advances in science. Scientists believe that the solutions to these challenges can be met through the application of plant-based technologies resulting in the manipulation of the DNA of plants.

In particular, the IWG reports that: “* * * the revitalization of rural America will come from a more robust agricultural sector; reduction in greenhouse gasses can be achieved from the production of plant biofuels for energy; chemically contaminated sites can be rehabilitated economically using selected plants; and worldwide malnutrition can be greatly reduced through the development of higher yielding and more nutritious crops that can be grown on marginal soil.” Currently, the United States is the world’s leader in biotechnology which many believe will mark the third technological revolution. For fiscal year 1998, the PGI has attracted 67 proposals from 121 separate institutions requesting a total of \$348,000,000. The Committee has included an additional \$10,000,000 to the budget request to help meet this pressing need.

As discussed in last year’s report, the Committee expects NSF to contract with the National Academy of Public Administration to review the procedure and criteria for merit review, now that the new criteria has been in place for a year. This study should review the overall merit review process in the agency, as well as examine how the changes in the merit review criteria have affected the different types of research that NSF supports.

The Committee also is concerned about how NSF funds are distributed to universities and colleges, as well as to various areas of the country. A recent NSF survey of Federal R&D expenditures based on data collected through fiscal year 1996 indicated that the top 50 recipients of university-based research received about 60 percent of all available Federal research dollars (some \$8,300,000,000 out of \$13,800,000,000). In addition, a number of these top 50 schools received an additional \$4,300,000,000 because they manage large federally funded research and development centers for various Federal agencies.

Consequently, the Committee urges the Foundation to broaden the scope of its research support for colleges and universities. In addition, the Committee also recognizes the need for the agency to foster initiatives between university centers of excellence and U.S. manufacturers to promote work force training to increase the pool of trained personnel for careers in information technology companies. Such an effort by the agency could bolster worker productivity and improve U.S. global competitiveness in this critical economic activity. The Committee, therefore, urges the agency, as part of its KDI initiative, to support proposals addressing the demonstrated personnel needs of information technology firms for expanded education and training at three university-based centers. The Committee directs the agency to focus its support on universities and colleges that do not normally fall within the top 100 of NSF’s survey of universities and colleges receiving Federal research support to overcome any bias toward more established institutions. The Committee has provided \$6,000,000 to support this initiative.

The National Science Foundation [NSF] established the Science and Technology Centers [STC] Program in 1987 to fund important basic research and education activities and to encourage technology transfer and innovative approaches within an interdisciplinary framework. The Committee has been a strong supporter of these kinds of efforts and encourages NSF to move forward with the STC Program. In that light, the Committee is particularly interested in

using the STC model to support innovative interdisciplinary research and training efforts in applied molecular biology. With its close ties to the biotechnology industry three new STC's in this area would be entirely consistent with the program's objectives.

The Committee, therefore, directs NSF to develop a new research program for the establishment of three multi-investigator centers in the area of applied molecular biology. The development of such centers shall be targeted to universities and colleges that do not normally fall within the top 100 of NSF's survey of universities and colleges receiving Federal research support to overcome bias toward more established institutions. The centers should facilitate the preparation of a new generation of trained scientists at younger institutions. Further, the institutions must demonstrate evidence of interdisciplinary efforts in the molecular biosciences and have a history of laboratory-based training of researchers for the biotechnology industry. The Committee is providing \$12,000,000 to support this initiative.

The Committee has provided an additional \$24,000,000 to the budget request for arctic logistics within the U.S. Arctic Research Program. These additional funds are to be used to provide logistical support for the research activities funded by polar programs and other NSF arctic research and education activities. The Committee intends that the recommendations of the U.S. Arctic Research Commission in Logistics Recommendations for Improved U.S. Arctic Research Capability (July 1997) and the 1987 report of the National Science Board's Committee on the Role of the NSF in Polar Regions (NSB 87-128) will serve as guideposts for the investment of these funds, subject to the merit review process. The Committee is particularly interested in seeing that some of these additional resources support current international collaborations in arctic research related to global climate change as well as addressing distance learning issues unique to the arctic environment. The Committee directs NSF to submit a strategic plan to the Committee on the proposed structure for the use of these logistical funds by November 15, 1998.

The Committee is a strong supporter of NSF's participation in the Next Generation Internet [NGI] Program and recognizes the importance of equal access to the NGI for researchers and educators from all areas of the country. The Committee is well aware that some States, such as Hawaii and Alaska, face unique challenges in getting access to high-performance telecommunication networks and urges NSF to continue to work closely with universities from these States and with other Federal agencies, to address this access problem. The Committee strongly encourages NSF and the other relevant agencies involved in high-speed networking to provide all appropriate support that will assist these and other States and their institutions of higher education to gain access to the developing national research network testbed. The Committee directs NSF to submit a strategic plan on ways to address this access and cost issue to the Committee by January 25, 1999.

The Committee received the report requested in last year's appropriation from the Foundation in April 1998 on the establishment of a National Institute on the Environment. The Committee concurs with the Foundation's view that environmental research is

an important area that should be strengthened. The Committee believes that this objective can be accomplished without the creation of an additional bureaucratic structure. The Committee looks forward to forthcoming proposals from the OSTP, NSF, and the National Science and Technology Council concerning a national science and technology strategy for the environment, which was recommended in the NSF's April report to the Committee.

The Committee understands that NSF is reorganizing its behavioral and social science research programs to accelerate the impressive advances that are occurring in these areas. The Committee applauds this reorganization as a sign of NSF's expanding commitment to these areas and reiterates its belief that basic research in the behavioral sciences is central to understanding and addressing many national concerns. The Committee also is pleased to note the publication of "Basic Research in Psychological Science", a human capital initiative report on the achievements in many areas of psychological research such as visual and auditory perception, memory and learning, decisionmaking, social and culture-based behaviors, and human development. The Committee encourages NSF to use this report in establishing behavioral and social science research priorities.

The Committee directs NSF to support through a competitive process an additional LTER site, for the study of a pristine, inland, mountain wilderness area. Preferences should be given to sites with established research facilities operated by an accredited university or nonprofit organization. The size and location of the site should be conducive to providing baseline information on wilderness environments.

MAJOR RESEARCH EQUIPMENT

Appropriations, 1998	\$109,000,000
Budget estimate, 1999	94,000,000
Committee recommendation	94,000,000

PROGRAM DESCRIPTION

The major research equipment activity will support the construction and procurement of unique national research platforms and major research equipment. Projects supported by this appropriation will push the boundaries of technological design and will offer significant expansion of opportunities, often in new directions, for the science and engineering community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$94,000,000 for major research equipment. This amount is \$15,000,000 less than the fiscal year 1998 level and the same as the budget request.

The Committee has provided the request for the continued work on modernizing the South Pole Station. In January 1998, the Committee sent a CODEL, led by Senator Stevens, chairman of the Appropriations Committee, to review first hand the role of NSF in the Antarctic and the Foundation's plans for the rebuilding of the South Pole Station as well as other upgrades necessary to preserve U.S. presence and the U.S. leadership in science research in the Antarctic. The Committee found that the construction of a new

South Pole Station is needed. The Committee also found that NSF's investment in the Antarctic as a unique research laboratory is responsible, important, and useful.

Nevertheless, the Committee remains concerned about the management of the costs of this undertaking in such a harsh and unforgiving environment. One particular concern relates to the fact that the overall civilian logistics support contract for all U.S. Antarctic Program activities will be the subject of a recompetition just as construction of the new station begins. Therefore, the Committee directs NSF to submit a report by February 1999, detailing its plans for construction cost containment of the new station and how this process will be managed should a new contractor be selected for overall logistics support activities. The Committee also has provided the request for the large hadron collider and second year funding for the millimeter array radio telescope.

The Committee does not provide funding for the Polar Cap Observatory at this time.

EDUCATION AND HUMAN RESOURCES

Appropriations, 1998	\$632,500,000
Budget estimate, 1999	683,000,000
Committee recommendation	683,000,000

PROGRAM DESCRIPTION

Education and human resources activities provide a comprehensive set of programs across all levels of education in science, mathematics, and technology. At the precollege level, the appropriation provides for new instructional material and techniques, and enrichment activities for teachers and students. Undergraduate initiatives support curriculum improvement, facility enhancement, and advanced technological education. Graduate level support is directed primarily to research fellowships and traineeships. Emphasis is given to systemic reform through components that address urban, rural, and statewide efforts in precollege education, and programs which seek to broaden the participation of States and regions in science and engineering.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$683,000,000 for education and human resources. This amount is \$50,500,000 more than the fiscal year 1998 level and the same as the budget request.

Since 1965, NSF has been involved in international comparisons of student math and science performance. Despite a significant Federal investment and commitment, for 30 years U.S. students have been near or at the bottom of performance. The recent TIMMS study again tells us that our Nation's 12th graders are not doing as well in math and science as our international competitors. The Committee is concerned greatly by this study, and requests NSF to develop a strategic plan to address this shortcoming. An initial preplan review should be provided to the Committee by June 15, 1999.

In addition, for a number of years—spurred on by a National Science Board report in the late 1980's and this Committee—NSF has invested on a number of fronts to improve math and science

education at the undergraduate level. Instead of the expected progress, the Carnegie Foundation recently issued a report that was critical of the job our research universities are doing in undergraduate education. The Committee expects NSF to develop a strategic plan to address the existing shortcomings in our Nation's undergraduate programs, with an initial preplan review due by July 15, 1999.

Moreover, the Committee strongly supports the Experimental Program to Stimulate Competitive Research [EPSCoR] as a way to stimulate R&D competitiveness in universities in States which receive relatively little Federal R&D funds. The Committee directs NSF to increase EPSCoR by an additional \$10,000,000. The Committee also strongly supports the next generation Internet initiative, and continues to emphasize the importance of providing equal access to the Internet for students, teachers, and researchers throughout the Nation, including rural areas.

The Committee provided \$6,000,000 last year to begin a new program targeted at the undergraduate level at historically black colleges and universities. NSF formally issued a request for proposals in April 1998 and the first set of awards are expected to be made by the end of fiscal year 1998. The Committee believes this effort will help attract and retain minority scholars into science and engineering and in that light, it is again providing additional funds to augment this effort.

The Committee, therefore, is providing \$6,000,000 for grants to historically black colleges and universities under the under represented population undergraduate reform [UPUR] initiative begun last year in House Report 105-297. These funds are to be matched by an additional \$2,000,000 in funds from the research account for a total \$8,000,000 program level in fiscal year 1999. The Foundation is further directed, beginning in fiscal year 2000, to incorporate this program into its annual budget submissions.

The Committee is providing \$46,000,000 for informal science education [ISE] in fiscal year 1999, an increase of \$10,000,000. The ISE program acts as a catalyst for educating people of all ages and walks of life in family-friendly, informal settings—at museums, on public television, in aquaria and zoos, and in science and technology centers around the country. With considerable local matching dollars, ISE-supported exhibits and programming help extend the Foundation's research and education missions by exposing large segments of the public to the value of research and discovery.

SALARIES AND EXPENSES

Appropriations, 1998	\$136,950,000
Budget estimate, 1999	144,000,000
Committee recommendation	136,950,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides for the operation, management, and direction of all Foundation programs and activities and includes necessary funds to develop and coordinate NSF programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$136,950,000 for salaries and expenses. This amount is the same as the fiscal year 1998 level and is \$7,050,000 less than the amount in the budget request. The Committee believes these are adequate funds since most NSF funds are distributed and managed outside the agencies.

OFFICE OF INSPECTOR GENERAL

Appropriations, 1998	\$4,850,000
Budget estimate, 1999	5,200,000
Committee recommendation	5,200,000

PROGRAM DESCRIPTION

The Office of Inspector General appropriation provides audit and investigation functions to identify and correct deficiencies which could create potential instances of fraud, waste, or mismanagement.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,200,000 for the Office of Inspector General in fiscal year 1999. This amount is \$350,000 more than the fiscal year 1998 level and the same as the budget request.

NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 1998	\$60,000,000
Budget estimate, 1999	90,000,000
Committee recommendation	60,000,000

PROGRAM DESCRIPTION

The Neighborhood Reinvestment Corporation was created by the Neighborhood Reinvestment Corporation Act (title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, October 31, 1978). Neighborhood reinvestment helps local communities establish working partnerships between residents and representatives of the public and private sectors. The partnership-based organizations are independent, tax-exempt, nonprofit entities: Neighborhood housing services [NHS], mutual housing associations, and apartment improvement programs. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, the 177 NeighborWorks® organizations form a solid network in approximately 150 cities effectively revitalizing over 348 neighborhoods. Of the neighborhoods, 71 percent of the people served are in the very low and low-income brackets.

The NeighborWorks® network improves the quality of life in distressed neighborhoods for current residents, increases homeownership through targeted lending efforts, exerts a long-term, stabilizing influence on the neighborhood business environment, and reverses neighborhood decline. NeighborWorks® organizations have been positively impacting urban communities for over two decades, and more recent experience is demonstrating the success of this approach in rural communities when adequate resources are available.

Neighborhood reinvestment will continue to provide grants to Neighborhood Housing Services of America [NHSA], the NeighborWorks® network’s national secondary market. The mission of NHSA is to utilize private sector support to replenish local NeighborWorks® organizations’ revolving loan funds. These loans are used to back securities which are placed with private sector social investors.

COMMITTEE RECOMMENDATION

The Committee proposes \$60,000,000 for the Neighborhood Reinvestment Corporation, \$30,000,000 less than the budget request.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 1998	\$23,413,000
Budget estimate, 1999	24,940,000
Committee recommendation	24,940,000

PROGRAM DESCRIPTION

The Selective Service System [SSS] 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 the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100–180, sec. 715) to develop plans for a postmobilization health care personnel delivery system capable of providing the necessary critically skilled health care personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, et cetera. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for health care personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,940,000 for the Selective Service System. This amount is the same as the budget request for fiscal year 1999 and an increase of \$1,527,000 over the enacted level.

TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 21 general provisions previously enacted in the 1998 appropriations act. They are standard limitations which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past. There is an additional requirement that HUD operate within its budget estimates and its appropriation.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of Rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Certificate Fund: \$10,013,542,030.
Fair housing activities: \$35,000,000.
HOME Investment Partnerships Program: \$1,550,000,000.
Indian housing loan guarantee fund: \$6,000,000.
Government National Mortgage Association (credit limitation):
\$150,000,000,000.
Homeless assistance grants: \$1,000,000,000.
Community development block grants: \$4,750,000,000.
Research and technology: \$36,500,000.
Rural housing and economic development: \$35,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

Salaries and expenses: \$46,500,000.

ENVIRONMENTAL PROTECTION AGENCY

Environmental programs and management: \$1,872,000,000.
Science and technology: \$643,460,000.
State and tribal assistance grants: \$2,331,219,500.
Superfund: \$1,500,000,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Salaries and expenses: \$170,000,000.
Emergency management planning and assistance: \$231,000,000.
Emergency food and shelter: \$100,000,000.

GENERAL SERVICES ADMINISTRATION

Consumer Information Center: \$2,419,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

International space station: \$2,300,000,000.
Launch vehicles and payload operations: \$3,241,000,000.
Science and technology: \$4,257,400,000.
Aeronautics, space transportation, and technology:
\$1,305,000,000.

Mission support: \$2,491,600,000.

NATIONAL SCIENCE FOUNDATION

Research and related activities: \$2,725,000,000.

Major research equipment: \$94,000,000.

Salaries and expenses: \$136,950,000.

Education and human resources: \$683,000,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, the Committee ordered reported en bloc, S. 2159, an original Agriculture, Rural Development, Food and Drug Administration, and Related Agencies appropriations bill, 1999, S. 2160, an original Military Construction appropriations bill, 1999, and S. 2168, an original Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies appropriations bill, 1999 and each subject to amendment and each subject to its budget allocations, by a recorded vote of 27-0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Stevens	
Mr. Cochran	
Mr. Domenici	
Mr. Bond	
Mr. Gorton	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Campbell	
Mr. Craig	
Mr. Faircloth	
Mrs. Hutchison	
Mr. Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Leahy	
Mr. Bumpers	
Mr. Lautenberg	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	
Mr. Kohl	
Mrs. Murray	
Mr. Dorgan	
Mrs. Boxer	

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

As otherwise discussed, the dramatic and unprecedented constraints on domestic discretionary spending has made necessary inclusion of a considerable volume of legislative reforms and other changes in existing statutes in the Committee recommendation. This is particularly in evidence in title II, the Department of Housing and Urban Development portion of this bill, in which cost-saving and cost-avoidance measures for discretionary housing and community development activities require modification of programs governed a large body of detailed and complex statutory provisions.

The Committee has included substantial explanatory material in this report which attempts to detail fully both the intent and practical effect of these statutory provisions. In view of the extensive nature of these changes, however, preparation of a comparative print detailing each of these statutory amendments would delay prompt availability of this report. In the opinion of the Committee, it is necessary to dispense with the requirements of paragraph 12 of rule XXVI to expedite the business of the Senate.

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount of bill	Committee allocation	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts for 1999: Subcommittee on VA, HUD, and Independent Agencies:				
Defense discretionary	131	131	127	¹ 127
Nondefense discretionary	69,855	70,505	80,653	80,816
Violent crime reduction fund				
Mandatory	21,885	22,276	21,570	21,240
Projection of outlays associated with the recommendation:				
1999				² 53,037
2000				18,117
2001				7,387
2002				4,017
2003 and future years				4,097
Financial assistance to State and local governments for 1999 in bill	NA	26,098	NA	4,396

¹Includes outlays from prior-year budget authority.

²Excludes outlays from prior-year budget authority.

NA: Not applicable.

Note.—The Budget Committee scores nondefense discretionary \$650,000,000 in budget authority and \$163,000,000 in outlays lower than does CBO.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
TITLE I					
Veterans Benefits Administration					
Compensation and pensions	\$20,482,997,000	\$21,857,058,000	\$21,857,058,000	+ \$1,374,061,000	.....
Readjustment benefits	1,366,000,000	1,175,000,000	1,175,000,000	- 191,000,000	.....
Veterans insurance and indemnities	51,360,000	46,450,000	46,450,000	- 4,910,000	.....
Veterans housing benefit program fund program account (indefinite)	166,370,000	263,587,000	263,587,000	+ 97,217,000	.....
(Limitation on direct loans)	(300,000)	(300,000)	(300,000)	.....	.....
Administrative expenses	160,437,000	159,121,000	159,121,000	- 1,316,000	.....
Education loan fund program account	1,000	1,000	1,000	.....	.....
(Limitation on direct loans)	(3,000)	(3,000)	(3,000)	.....	.....
Administrative expenses	200,000	206,000	206,000	+ 6,000	.....
Vocational rehabilitation loans program account	44,000	55,000	55,000	+ 11,000	.....
(Limitation on direct loans)	(2,278,000)	(2,401,000)	(2,401,000)	(+ 123,000)	.....
Administrative expenses	388,000	400,000	400,000	+ 12,000	.....
Native American Veteran Housing Loan Program Account	515,000	515,000	515,000	.....	.....
Total, Veterans Benefits Administration	22,228,312,000	23,502,393,000	23,502,393,000	+ 1,274,081,000	.....
Veterans Health Administration					
Medical care	16,487,396,000	16,392,975,000	16,563,000,000	+ 75,604,000	+ \$170,025,000
Delayed equipment obligation	570,000,000	635,000,000	687,000,000	+ 117,000,000	+ 52,000,000
Total	17,057,396,000	17,027,975,000	17,250,000,000	+ 192,604,000	+ 222,025,000
Medical collections guarantee	15,000,000	.....	.....	- 15,000,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Medical care cost recovery collections:					
Offsetting receipts	- 543,000,000	- 558,000,000	- 558,000,000	- 15,000,000	.....
Appropriations (indefinite)	543,000,000	558,000,000	558,000,000	+ 15,000,000	.....
Total available	(17,600,396,000)	(17,585,975,000)	(17,808,000,000)	(+ 207,604,000)	(+ 222,025,000)
Medical and prosthetic research	272,000,000	300,000,000	310,000,000	+ 38,000,000	+ 10,000,000
Medical administration and miscellaneous operating expenses	59,860,000	60,000,000	60,000,000	+ 140,000	.....
General Post Fund, National Homes:					
Loan program account (by transfer)	(7,000)	(7,000)	(7,000)	.....	.....
Administrative expenses (by transfer)	(54,000)	(54,000)	(54,000)	.....	.....
(Limitation on direct loans)	(70,000)	(70,000)	(70,000)	.....	.....
General post fund (transfer out)	(- 61,000)	(- 61,000)	(- 61,000)	.....	.....
Total, Veterans Health Administration	17,404,256,000	17,387,975,000	17,620,000,000	+ 215,744,000	+ 232,025,000
Departmental Administration					
General operating expenses	786,135,000	849,661,000	854,661,000	+ 68,526,000	+ 5,000,000
Offsetting receipts	(35,760,000)	(38,960,000)	(38,960,000)	(+ 3,200,000)	.....
Total, Program Level	(821,895,000)	(888,621,000)	(893,621,000)	(+ 71,726,000)	(+ 5,000,000)
National Cemetery System	84,183,000	92,006,000	92,006,000	+ 7,823,000	.....
Office of Inspector General	31,013,000	32,702,000	36,000,000	+ 4,987,000	+ 3,298,000
Construction, major projects	177,900,000	97,000,000	142,300,000	- 35,600,000	+ 45,300,000
Construction, minor projects	175,000,000	141,000,000	175,000,000	.....	+ 34,000,000
Grants for construction of State extended care facilities	80,000,000	37,000,000	90,000,000	+ 10,000,000	+ 53,000,000

Grants for the construction of State veterans cemeteries	10,000,000	10,000,000	10,000,000	.....	.....
Total, Departmental Administration	1,344,231,000	1,259,369,000	1,399,967,000	+ 55,736,000	+ 140,598,000
Total, title I, Department of Veterans Affairs	40,976,799,000	42,149,737,000	42,522,360,000	+ 1,545,561,000	+ 372,623,000
(By transfer)	(61,000)	(61,000)	(61,000)	.....	.....
(Limitation on direct loans)	(2,651,000)	(2,774,000)	(2,774,000)	(+ 123,000)	.....
Consisting of:					
Mandatory	(22,066,727,000)	(23,342,095,000)	(23,342,095,000)	(+ 1,275,368,000)	.....
Discretionary	(18,910,072,000)	(18,807,642,000)	(19,180,265,000)	(+ 270,193,000)	(+ 372,623,000)

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Public and Indian Housing

Housing Certificate Fund	9,373,000,000	8,981,187,705	10,013,542,030	+ 640,542,030	+ 1,032,354,325
Section 8 reserve preservation account (rescission)	- 2,347,190,000	.....	.....	+ 2,347,190,000	.....
Expiring section 8 contracts	(8,180,000,000)	(7,190,645,675)	(9,540,000,000)	(+ 1,360,000,000)	(+ 2,349,354,325)
Section 8 amendments	(850,000,000)	(1,337,000,000)	.....	(- 850,000,000)	(- 1,337,000,000)
Section 8 relocation assistance	(343,000,000)	(433,542,030)	(433,542,030)	(+ 90,542,030)	.....
Regional opportunity counseling .....	.....	(20,000,000)	.....	(- 20,000,000)	.....
Self-sufficiency incrementals .....	.....	.....	(40,000,000)	(+ 40,000,000)	(+ 40,000,000)
Section 8 project-based (rescission) .....	.....	.....	- 1,400,000,000	- 1,400,000,000	- 1,400,000,000
Subtotal	(7,025,810,000)	(8,981,187,705)	(8,613,542,030)	(+ 1,587,732,030)	(- 367,645,675)

Welfare to work housing vouchers .....	.....	283,000,000	.....	.....	- 283,000,000
Annual contributions (rescission)	- 550,000,000	.....	.....	+ 550,000,000	.....

Public housing capital fund	2,500,000,000	2,550,000,000	2,550,000,000	+ 50,000,000	.....
Public housing operating fund	2,900,000,000	2,818,000,000	2,818,000,000	- 82,000,000

Subtotal	5,400,000,000	5,368,000,000	5,368,000,000	- 32,000,000
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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	Senate Committee recommendation compared with (+ or -)		
	1998 appropriation	Budget estimate	1998 appropriation
Drug elimination grants for low-income housing	310,000,000	310,000,000	.....
Revitalization of severely distressed public housing (HOPE VI)	550,000,000	550,000,000	+ 50,000,000
Indian housing block grants	600,000,000	600,000,000	.....
Title VI Indian federal grantees program account .....	.....	5,000,000	.....
Indian housing loan guarantee fund program account	5,000,000	6,000,000	+ 1,000,000
(Limitation on guaranteed loans)	(73,800,000)	(68,881,000)	(-4,919,000)
<hr/>			
Capital Grants/Capital Loans Preservation Account			
Capital grants/Capital loans preservation account	10,000,000	.....	-10,000,000
Rural Housing and Economic Development			
Rural housing and economic development .....	.....	.....	+ 35,000,000
Community Planning and Development			
Housing opportunities for persons with AIDS	204,000,000	225,000,000	+ 21,000,000
Community development block grants	4,805,000,000	4,725,000,000	- 55,000,000
Economic development initiative .....	.....	400,000,000	.....
Section 108 loan guarantees:			
(Limitation on guaranteed loans)	(1,261,000,000)	.....	(+ 1,261,000,000)
Credit subsidy	29,000,000	29,000,000	.....
Administrative expenses	1,000,000	1,000,000	.....
Brownfields redevelopment	25,000,000	50,000,000	.....
Empowerment Zones and Enterprise Communities	5,000,000	.....	- 5,000,000
HOME investment partnerships program	1,500,000,000	1,883,000,000	+ 50,000,000
Supportive housing program (rescission)	- 6,000,000	.....	+ 6,000,000
Shelter plus care (rescission)	- 4,000,000	.....	+ 4,000,000
Homeless assistance grants	823,000,000	1,150,000,000	+ 177,000,000
		1,000,000,000	- 150,000,000

Youthbuild program	45,000,000				- 45,000,000
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Total, Public and Indian Housing (net)	20,732,810,000	24,611,187,705	23,112,542,030	+ 2,379,732,030	- 1,498,645,675
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Housing Programs					
Housing for special populations	839,000,000		870,000,000	+ 31,000,000	+ 870,000,000
Housing for the elderly	(645,000,000)		(676,000,000)	(+ 31,000,000)	(+ 676,000,000)
Housing for the disabled	(194,000,000)		(194,000,000)		(+ 194,000,000)
Rental housing assistance: Rescission of budget authority, indefinite	- 125,000,000			+ 125,000,000	
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Federal Housing Administration					
FHA—Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(110,000,000,000)	(110,000,000,000)	(110,000,000,000)		(+ 50,000,000)
(Limitation on direct loans)	(200,000,000)	(50,000,000)	(100,000,000)	(- 100,000,000)	
Administrative expenses	338,421,000	328,888,000	328,888,000	- 9,533,000	
Offsetting receipts	- 333,421,000	- 529,000,000	- 529,000,000	- 195,579,000	
Non-overhead administrative expenses		200,000,000			- 200,000,000
FHA—General and special risk program account:					
Program costs	81,000,000	81,000,000	81,000,000		
(Limitation on guaranteed loans)	(17,400,000,000)	(18,100,000,000)	(18,100,000,000)	(+ 700,000,000)	
(Limitation on direct loans)	(120,000,000)	(50,000,000)	(120,000,000)		(+ 70,000,000)
Administrative expenses	222,305,000	211,455,000	211,455,000	- 10,850,000	
Non-overhead administrative expenses		104,000,000			- 104,000,000
Subsidy—multifamily	- 18,000,000			+ 18,000,000	
Subsidy—single family	- 64,000,000			+ 64,000,000	
Subsidy—Title I	- 25,000,000			+ 25,000,000	
Subsidies for fiscal year 1999		- 125,000,000	- 125,000,000	- 125,000,000	
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Total, Federal Housing Administration	201,305,000	271,343,000	- 32,657,000	- 233,962,000	- 304,000,000
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Government National Mortgage Association					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(130,000,000,000)	(150,000,000,000)	(150,000,000,000)	(+ 20,000,000,000)	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Administrative expenses	9,383,000	9,383,000	9,383,000		
Offsetting receipts	-204,000,000	-370,000,000	-370,000,000	-166,000,000	
Policy Development and Research					
Research and technology	36,500,000	50,000,000	36,500,000		-13,500,000
Fair Housing and Equal Opportunity					
Fair housing activities	30,000,000	52,000,000	35,000,000	+5,000,000	-17,000,000
Office of Lead Hazard Control		85,000,000			-85,000,000
Office of Lead Hazard Control					
Management and Administration					
Salaries and expenses	446,000,000	471,843,000	471,843,000	+25,843,000	
(By transfer, limitation on FHA corporate funds)	(544,443,000)	(518,000,000)	(518,000,000)	(-26,443,000)	
(By transfer, GNMA)	(9,383,000)	(9,383,000)	(9,383,000)		
(By transfer, Community Planning and Development)	(1,000,000)	(1,000,000)	(1,000,000)		
(By transfer, Title VI)		(200,000)	(200,000)	(+200,000)	
(By transfer, Indian Housing)		(400,000)	(400,000)	(+400,000)	
Total, Salaries and expenses	(1,000,826,000)	(1,000,826,000)	(1,000,826,000)		
Office of Inspector General	40,567,000	34,507,000	34,507,000	-6,060,000	
(By transfer, limitation on FHA corporate funds)	(16,283,000)	(22,343,000)	(22,343,000)	(+6,060,000)	
(By transfer from Drug Elimination Grants)	(10,000,000)	(10,000,000)	(10,000,000)		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Corporation for National and Community Service					
National and community service programs operating expenses	425,500,000	499,316,000	425,500,000	.....	- 73,816,000
Office of Inspector General	3,000,000	3,000,000	3,000,000	.....	.....
Total	428,500,000	502,316,000	428,500,000	.....	- 73,816,000
Court of Veterans Appeals					
Salaries and expenses	9,319,000	10,195,000	10,000,000	+ 681,000	- 195,000
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses	11,815,000	11,666,000	11,666,000	- 149,000	.....
Environmental Protection Agency					
Science and Technology	631,000,000	633,460,000	643,460,000	+ 12,460,000	+ 10,000,000
Transfer from Hazardous Substance Superfund	35,000,000	40,200,800	40,200,000	+ 5,200,000	- 800
Subtotal, Science and Technology	666,000,000	673,660,800	683,660,000	+ 17,660,000	+ 9,999,200
Environmental Programs and Management					
Office of Inspector General	1,801,000,000	1,993,780,000	1,840,500,000	+ 39,500,000	- 153,280,000
Transfer from Hazardous Substance Superfund	28,501,000	31,154,000	31,154,000	+ 2,653,000	.....
Subtotal, OIG	11,641,000	12,237,300	12,237,300	+ 596,300	.....
Subtotal, OIG	40,142,000	43,391,300	43,391,300	+ 3,249,300	.....
Buildings and facilities	109,420,000	52,948,000	52,948,000	- 56,472,000	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1999—Continued

Item	1998 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				1998 appropriation	Budget estimate
Total	8,432,000	8,046,000	7,601,000	-831,000	-445,000
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(34,365,000)	(34,666,000)	(34,666,000)	(+ 301,000)	.....
Federal Emergency Management Agency					
Disaster relief	320,000,000	307,745,000	846,000,000	+526,000,000	+538,255,000
Contingent emergency funding	1,600,000,000	658,485,000	.....	-1,600,000,000	-658,485,000
Pre-disaster mitigation .....	.....	50,000,000	.....	.....	-50,000,000
Disaster assistance direct loan program account:					
State share loan	1,495,000	1,355,000	1,355,000	-140,000	.....
(Limitation on direct loans)	(25,000,000)	(25,000,000)	(25,000,000)	.....	.....
Administrative expenses	341,000	440,000	440,000	+99,000	.....
Salaries and expenses	171,773,000	171,138,000	170,000,000	-1,773,000	-1,138,000
Office of Inspector General	4,803,000	4,930,000	5,400,000	+597,000	+470,000
Emergency management planning and assistance	243,546,000	195,574,000	231,000,000	-12,546,000	+35,426,000
Radiological emergency preparedness fund .....	.....	12,849,000	12,849,000	+12,849,000	.....
Collection of fees .....	.....	-12,849,000	-12,849,000	-12,849,000	.....
Emergency food and shelter program	100,000,000	100,000,000	100,000,000	.....	.....
National Flood Insurance Fund (limitation on administrative expenses):					
Salaries and expenses	(21,610,000)	(22,685,000)	(22,685,000)	(+ 1,075,000)	.....
Flood mitigation	(78,464,000)	(78,464,000)	(78,464,000)	.....	.....
Administrative provision: REP savings	-12,000,000	.....	.....	+12,000,000	.....
Total, Federal Emergency Management Agency	829,958,000	831,182,000	1,354,195,000	+524,237,000	+523,013,000
Emergency funding	1,600,000,000	658,485,000	.....	-1,600,000,000	-658,485,000

General Services Administration					
Consumer Information Center Fund	2,419,000	2,419,000	2,419,000	2,419,000	
National Aeronautics and Space Administration					
Human space flight	5,506,500,000	5,511,000,000	5,511,000,000	5,506,500,000	-5,511,000,000
(By transfer)	(53,000,000)			(-53,000,000)	
Advance appropriation, fiscal year 2000		2,134,000,000			-2,134,000,000
Advance appropriation, fiscal year 2001		1,933,000,000			-1,933,000,000
Advance appropriation, fiscal year 2002		1,766,000,000			-1,766,000,000
Advance appropriation, fiscal year 2003		1,546,000,000			-1,546,000,000
Advance appropriation, fiscal year 2004		350,000,000			-350,000,000
Science, aeronautics and technology	5,690,000,000	5,457,400,000	5,457,400,000	5,690,000,000	-5,457,400,000
International Space Station			2,300,000,000	+2,300,000,000	+2,300,000,000
Launch vehicles and payload operations			3,241,000,000	+3,241,000,000	+3,241,000,000
Science and technology			4,257,400,000	+4,257,400,000	+4,257,400,000
Aeronautics, Space transportation, and technology			1,305,000,000	+1,305,000,000	+1,305,000,000
Mission support	2,433,200,000	2,476,600,000	2,491,600,000	+58,400,000	+15,000,000
Office of Inspector General	18,300,000	20,000,000	20,000,000	+1,700,000	
Total, NASA for fiscal year 1998/1999	13,648,000,000	13,465,000,000	13,615,000,000	-33,000,000	+150,000,000
Advance appropriation, fiscal year 2000		2,134,000,000			-2,134,000,000
Advance appropriation, fiscal year 2001-2004		5,595,000,000			-5,595,000,000
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(600,000,000)	(600,000,000)	(600,000,000)		
(Limitation on administrative expenses, corporate funds)	(203,000)	(176,000)	(176,000)	(-27,000)	
Revolving loan program	1,000,000		1,000,000		+1,000,000
National Science Foundation					
Research and related activities	2,545,700,000	2,846,800,000	2,725,000,000	+179,300,000	-121,800,000
Major research equipment	74,000,000	94,000,000	94,000,000	+20,000,000	
Delay of obligation	35,000,000			-35,000,000	
Large Hadron Collider, advance approp, fiscal year 2000					-15,900,000
Advance appropriation, fiscal year 2001		15,900,000			-16,370,000
Advance appropriation, fiscal year 2002		16,370,000			-16,860,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1998 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 1999—Continued

Item	Senate Committee recommendation compared with (+ or -)			
	1998 appropriation	Budget estimate	Committee recommendation	
			1998 appropriation	Budget estimate
Advance appropriation, fiscal year 2003		9,720,000		-9,720,000
South Pole Station, advance approp, fiscal year 2000		22,400,000		-22,400,000
Advance appropriation, fiscal year 2001		13,500,000		-13,500,000
Education and human resources	632,500,000	683,000,000	683,000,000	+50,500,000
Salaries and expenses	136,950,000	144,000,000	136,950,000	-7,050,000
Office of Inspector General	4,850,000	5,200,000	5,200,000	+350,000
Total, NSF for fiscal year 1998/1999	3,429,000,000	3,773,000,000	3,644,150,000	-128,850,000
Advance appropriation, fiscal year 2000		38,300,000		-38,300,000
Advance appropriation, fiscal year 2001-2004		56,450,000		-56,450,000
Neighborhood Reinvestment Corporation				
Payment to the Neighborhood Reinvestment Corporation	60,000,000	90,000,000	60,000,000	-30,000,000
Department of Defense—Civil				
Selective Service System				
Salaries and expenses	23,413,000	24,940,000	24,940,000	+1,527,000
Total title III, Independent agencies, fiscal year 1999	25,970,799,000	26,716,470,000	26,707,464,000	-9,006,000
Emergency funding	1,600,000,000	658,485,000		-658,485,000
Advance funding for fiscal year 1999 from Public Law 105-65			650,000,000	+650,000,000
Advance appropriation, fiscal year 2000		2,213,000,000		-2,213,000,000
Advance appropriation, fiscal year 2001-2004		5,651,450,000		-5,651,450,000
(Limitation on administrative expenses)	(116,574,000)	(101,149,000)	(101,149,000)	
(Limitation on direct loans)	(625,000,000)	(625,000,000)	(625,000,000)	

(Limitation on corporate funds)	(203,000)	(176,000)	(176,000)	(-27,000)	.....
Grand total for fiscal year 1999/2000					
Appropriations	88,392,163,000	94,081,470,705	93,331,942,030	+ 4,939,779,030	- 749,528,675
Rescissions	(91,424,353,000)	(94,081,470,705)	(94,731,942,030)	(+ 3,307,589,030)	(+ 650,471,325)
Emergency funding	(- 3,032,190,000)	.....	(- 1,400,000,000)	(+ 1,632,190,000)	(- 1,400,000,000)
Advance funding for fiscal year 1999 from Public Law 105-65	1,600,000,000	658,485,000	.....	- 1,600,000,000	- 658,485,000
Advance appropriation, fiscal year 2000 .....	.....	.....	650,000,000	+ 650,000,000	+ 650,000,000
Advance appropriation, fiscal year 2001-2004 (By transfer)	(- 2,944,764,000)	2,213,000,000	.....	.....	- 2,213,000,000
(Limitation on administrative expenses)	(116,574,000)	(34,727,000)	(- 1,365,273,000)	(+ 1,579,491,000)	- 5,651,450,000
(Limitation on direct loans)	(1,021,451,000)	(101,149,000)	(101,149,000)	(- 15,425,000)	(- 1,400,000,000)
(Limitation on guaranteed loans)	(258,661,000,000)	(796,655,000)	(916,655,000)	(- 104,796,000)	(+ 120,000,000)
(Limitation on corporate funds)	(581,312,000)	(278,100,000,000)	(279,361,000,000)	(+ 20,700,000,000)	(+ 1,261,000,000)
		(561,502,000)	(561,502,000)	(- 19,810,000)	.....