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DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, 2003

JULY 25, 2002.—Ordered to be printed

Ms. MIKULSKI, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 2797]

The Committee on Appropriations reports the bill (S. 2797) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amount of new budget (obligational) authority

Amount of bill as reported to Senate	$124,507,956,000
Amount of appropriations to date, 2002	119,907,308,000
Amount of budget estimates, 2003	121,358,580,000
Over estimates for 2003	3,149,376,000
Above appropriations for 2002	4,600,648,000

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CONTENTS

	Page
Title I—Department of Veterans Affairs	6
Title II—Department of Housing and Urban Development	27
Title III—Independent agencies:	
American Battle Monuments Commission	66
Chemical Safety and Hazard Investigation Board	66
Department of the Treasury: Community development financial institutions	67
Consumer Product Safety Commission	69
Corporation for National and Community Service	70
U.S. Court of Appeals for Veterans Claims	74
Department of Defense—Civil: Cemeterial expenses, Army	75
Department of Health and Human Services:	
National Institute of Environmental Health Sciences	75
Agency for Toxic Substances and Disease Registry	76
Environmental Protection Agency	77
Executive Office of the President:	
Office of Science and Technology Policy	98
Council on Environmental Quality and Office of Environmental Quality	100
Federal Deposit Insurance Corporation: Office of Inspector General	100
Federal Emergency Management Agency	101
General Services Administration: Federal Consumer Information Center	108
National Aeronautics and Space Administration	109
National Credit Union Administration	120
National Science Foundation	122
Neighborhood Reinvestment Corporation	133
Selective Service System	134
Title IV—General provisions	136
Compliance with paragraph 7, rule XVI of the Standing Rules of the Senate	137
Compliance with paragraph 7(c), rule XXVI of the Standing Rules of the Senate	138
Compliance with paragraph 12, rule XXVI of the Standing Rules of the Senate	138

INTRODUCTION

The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies appropriations bill for fiscal year 2003 provides a total of $123,009,956,000 in budget authority, including approximately $31,576,338,000 in mandatory spending. The Committee did its best to meet all important priorities within the bill, with the highest priority given to veterans programs and section 8 contract renewals. 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 emergency management and disaster relief.

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.

The Committee recommendation provides $26,509,207,000 in discretionary funding for the Department of Veterans Affairs, an increase of $2,680,575,000 above the fiscal year 2002 enacted level and $1,151,170,000 above the budget request. The Committee has made veterans programs the highest priority in the bill. Increases in VA programs above the budget request are recommended for medical care and medical research.

For the Department of Housing and Urban Development, the Committee recommendation totals $32,082,924,000, a decrease of $65,771,000 below the fiscal year 2002 enacted level and $634,073,000 above the budget request. The Committee has provided significant funding for all HUD programs while also providing the needed funding for all expiring section 8 contracts. The Committee believes a balanced approach to the funding of housing programs is key to meeting the housing needs of low-income families.

For the Environmental Protection Agency, the Committee recommendation totals $8,299,141,000, an increase of $220,328,000 above the fiscal year 2002 enacted level and an increase of $678,628,000 above the budget request. Major changes from the President's request include an increase of $238,000,000 for clean water State revolving funds.

The Committee recommendation includes $5,935,117,000 for the Federal Emergency Management Agency, including $1,500,000,000 in emergency contingency funds for disaster relief.

The Committee recommendation for the National Aeronautics and Space Administration totals $15,200,000,000, an increase of $298,300,000 above the fiscal year 2002 level.

For the National Science Foundation, the Committee recommendation totals $5,353,360,000, an increase of $564,120,000 above the fiscal year 2002 enacted level. The Committee views NSF as a key investment in the future and this funding is intended to

reaffirm the strong and longstanding leadership of this Committee in support of 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 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, the Corporation for National and Community Service, and the Consumer Product Safety Commission, to submit operating plans, signed by the respective secretary, administrator, chief executive officer, 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 operating plans consistent with prior year policy.

ACCRUAL FUNDING OF RETIREMENT COSTS AND POST-RETIREMENT HEALTH BENEFITS

The President's Budget included a legislative proposal under the jurisdiction of the Senate Committee on Governmental Affairs to charge to individual agencies, starting in fiscal year 2003, the fully accrued costs related to retirement benefits of Civil Service Retirement System employees and retiree health benefits for all civilian employees. The Budget also requested an additional dollar amount in each affected discretionary account to cover these accrued costs.

The authorizing committee has not acted on this legislation, therefore the Senate Appropriations Committee has reduced the dollar amounts of the President's request shown in the "Comparative Statement of New Budget Authority Request and Amounts Recommended in the Bill", as well as in other tables in this report, to exclude the accrual funding proposal.

The Committee further notes that administration proposals requiring legislative action by the authorizing committees of Congress are customarily submitted in the budget as separate schedules apart from the regular appropriations requests. Should such a proposal be enacted, a budget amendment formally modifying the President's appropriation request for discretionary funding is subsequently transmitted to the Congress.

The Senate Appropriations Committee joins with the House Appropriations Committee in raising concern that this practice, which has always worked effectively for both Congress and past administrations, was not followed for the accrual funding proposal. In this case, the Office of Management and Budget (OMB) decided to include accrual amounts in the original discretionary appropriations language request. These amounts are based on legislation that has yet to be considered and approved by the appropriate committees of Congress. This led to numerous misunderstandings both inside and outside of Congress of what was the "true" President's budget request. The Committee believes that, in the future, OMB should follow long-established procedures with respect to discretionary spending proposals that require legislative action.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Appropriations, 2002	[1] $52,786,164,000
Budget estimate, 2003	54,612,197,000
Committee recommendation	58,188,067,000

[1] Reflects the latest funding levels for Compensation and Pension in the mid-session review in 2002 and 2003.

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 Administration, 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, 864 outpatient clinics, 137 nursing homes, and 43 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 Administration provides for the interment of the remains of eligible deceased servicepersons and discharged veterans in any national cemetery with available grave space; 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 veterans' cemeteries. The National Cemetery Administration includes 154 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 Under Secretary for Memorial Affairs.

COMMITTEE RECOMMENDATION

The Committee recommends $58,188,067,000 for the Department of Veterans Affairs, including $31,580,338,000 in mandatory spending and $26,509,207,000 in discretionary spending. The amount provided for discretionary activities represents an increase of $1,151,170,000 above the budget request and $2,682,575,000 above the fiscal year 2002 enacted level.

The Committee once again has made VA its top priority in the fiscal year 2003 VA–HUD bill. Specifically, the Committee is committed to ensuring that veterans have access to the quality medical care and services they deserve, in a timely manner.

The Committee is deeply concerned about overwhelming evidence that the VA medical system is failing its core constituency—service-connected, lower income, and special needs veterans. The Committee has learned of numerous anecdotal examples where VA's core constituency does not have access to timely, quality medical care because the networks that serve them are operating with long waiting lists. According to VA's recent estimate, there are over 310,000 veterans on waiting lists for medical care. In many instances, the wait for a doctor's appointment is over 6 months, and VA projects the waiting list will grow even more significantly if current guidelines and expectations do not change.

The Committee believes that the VA is "a victim of its own success" due to its generous healthcare benefits and vastly improved quality healthcare access. Over the last decade, VA has opened over 850 new outpatient clinics around the Nation that have attracted overwhelming numbers of users to the system. This, coupled with a generous pharmacy benefit and expanded eligibility criteria enacted in 1996, has resulted in a rapidly growing VA patient population. Most notably, since 1996, VA has seen a 500 percent increase in Priority 7 veterans—veterans who are not service-connected disabled and whose income is currently greater than $24,000 per year.

Prior to 1996 eligibility reform, only veterans who were service-connected disabled or lower income were eligible for VA medical care. Eligibility reform opened the doors to all veterans—based on available resources and space—with the Secretary of Veterans Affairs expected to make an enrollment decision at the beginning of each year. Veterans were categorized into seven priority groups, with Priority 1–6 veterans being those with service-connected conditions or lower incomes. Priority 7 veterans were to be enrolled in the system on a space available basis. Receipts from first and third party payers, co-pays, and insurance, were to offset the cost of the services for Priority 7 veterans.

Of course, 1996 eligibility reform was predicated on the enactment of Medicare Subvention, whereby the VA would be reimbursed by Medicare for treating Medicare-eligible veterans. This part of the plan, however, has not come to fruition. Additionally, the lack of a national prescription drug benefit, and the failure of many privately managed care health systems, has made the VA's generous prescription benefit even more attractive. At the same time, VA has had a poor record of collecting what it is owed by private insurance companies. In short, Priority 7 veterans came to the system, but the expected funding sources from collections and Medicare did not. These events have pushed the VA healthcare system into crisis.

It is important to note that funding appropriated for VA medical care, which is allocated through the Veterans Equitable Resource Allocation (VERA) formula, only accounts for Priority 1–6 veterans. Priority 7 veterans are not included in the VERA formula. Yet in many areas of the Nation today, high priority service-connected disabled veterans are waiting in line for a doctor's appointment behind Priority 7 veterans. The Committee believes this is evidence that the system is failing its core constituency. The Committee believes it has a responsibility—an obligation—to protect the most vulnerable veterans.

The Administration's fiscal year 2003 budget proposed a new $1,500 annual medical care deductible for Priority 7 veterans. VA estimated that this proposal would have saved over $1,145,543,000 through reduced demand on the system. The Committee is concerned that this proposal would leave many veterans, especially those who do not have private health insurance, without access to affordable medical care. The Committee has, therefore, rejected this proposal.

The Committee understands that VA simply cannot sustain the timely, quality medical care services that are expected, while attempting to meet this increased demand. While the Committee has provided significant increased resources over the past several years, it recognizes that funding alone will not ensure that VA's core constituency—service-connected, lower-income, and special needs veterans—do not fall through the system's cracks.

To that end, the Committee has provided an additional $1,145,543,000 in fiscal year 2003 for VA medical care above the Administration's request. The Committee has also given the Secretary discretionary authority to establish a priority for treatment of veterans. If the Secretary takes action, VA can align its resources to meet its original mission of serving its core constituency. Finally, the Committee has extend VA's authority to collect prescription drug co-payments. Without this authority, VA projects to lose some $600,000,000 in medical care resources. Further, VA projects that the loss of these valuable resources would result in the loss of care for 110,000 veterans in 2003.

The Committee notes that the Secretary currently has the authority to suspend enrollment or take other actions, such as creating an open enrollment season, in order to better manage demand on the system within available resources. The Committee further encourages the Secretary to explore other options such as creating a tiered pharmacy co-payment structure, increasing the in-

come thresholds, and allowing current users of the VA system to fill their privately-written prescriptions through the VA.

The Committee expects that its recommendation of significantly increased medical care funding and broad administrative discretion, will give the Secretary the necessary tools to address the VA's current healthcare crisis, while maintaining its vital mission of providing timely, quality medical care to service-connected disabled, lower income, and special needs veterans.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	[1] $26,044,288,000
Budget estimate, 2003	26,524,300,000
Committee recommendation	28,949,000,000

[1] Reflects mid-session review funding levels.

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 recommends $28,949,000,000 for compensation and pensions. This is an increase of $2,904,712,000 above the fiscal year 2002 enacted level and $2,424,700,000 above the budget request because it takes into account OMB's mid-session review. This amount includes the cost of living adjustment for fiscal year 2003.

The estimated caseload and cost by program follows:

COMPENSATION AND PENSIONS

	2002 [1]	2003	Difference
Caseload:			
Compensation:			
Veterans	2,356,600	2,433,216	+76,616
Survivors	308,165	312,297	+4,132
Children	1,044	1,102	+58
(Clothing allowance)	(79,618)	(81,104)	(+1,486)
Pensions:			
Veterans	347,178	340,374	−6,804
Survivors	234,619	221,072	−13,547
Minimum income for widows (non-add)	(523)	(488)	(−35)
Vocational training (non-add)			
Burial allowances and service connected deaths	97,602	97,393	−209
Funds:			
Compensation:			
Veterans	$18,711,705,000	$21,191,850,000	+$2,480,145,000
Survivors	3,866,386,000	4,113,572,000	+247,186,000
Children	17,974,000	16,742,000	−1,232,000
Clothing allowance	46,178,000	47,640,000	+1,462,000
Payment to GOE (Public Laws 101–508 and 102–568	1,286,000	966,000	−320,000
Medical exams pilot program (Public Law 104–275	37,000,000	38,300,000	+1,300,000
Pensions:			
Veterans	2,596,916,000	2,595,459,000	−457,000
Survivors	733,584,000	761,037,000	+27,453,000
Minimum income for widows	3,444,000	3,292,000	−152,000
Vocational training			
Payment to GOE (Public Laws 101–508, 102–568, and 103–446	8,564,000	7,000,000	−1,564,000
Payment to Medical Care (Public Laws 101–508 and 102–568	8,090,000	8,575,000	+485,000
Payment to Medical Facilities (non-add)	(891,000)	(937,000)	(+46,000)
Burial benefits	141,817,000	159,470,000	+17,653,000
Other assistance	4,887,000	4,935,000	+48,000
Unobligated balance and transfers	−133,543,000	−838,000	+132,705,000
Total appropriation	26,044,288,000	28,949,000,000	+2,904,712,000

[1] Does not include pending supplemental of $1,100,000 (H.R. 4775).

The appropriation includes $17,138,000 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, the Veterans' Benefits Improvements Act of 1994, and the Veterans' Benefits Improvements Act of 1996. The amount also includes funds for a projected fiscal year 2003 cost-of-living increase of 1.8 percent for pension recipients.

READJUSTMENT BENEFITS

Appropriations, 2002	$2,135,000,000
Budget estimate, 2003	2,264,808,000
Committee recommendation	2,264,808,000

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 recommends the budget estimate of $2,264,808,000 for readjustment benefits. The amount recommended is an increase of $129,808,000 above the fiscal year 2002 enacted level.

The estimated caseload and cost for this account follows:

READJUSTMENT BENEFITS

	2002	2003	Difference
Number of trainees:			
Education and training: dependents	49,949	51,746	+1,797
All-Volunteer Force educational assistance:			
Veterans and servicepersons	326,425	325,815	−610
Reservists	79,000	81,721	+2,721
Vocational rehabilitation	64,556	64,879	+323
Tuition assistance	160,000	160,000	.....
Total	679,930	684,161	+4,231
Licensing and certification tests	25,450	81,150	+55,700
Funds:			
Education and training: Dependents	$206,181,000	$217,472,000	+$11,291,000
All-Volunteer Force educational assistance:			
Veterans and servicepersons	1,460,321,000	1,759,683,000	+299,362,000
Reservists	135,750,000	142,858,000	+7,108,000
Vocational rehabilitation	440,896,000	452,029,000	+11,133,000
Tuition assistance	79,040,000	79,040,000	.....
Licensing and certification tests	5,982,000	19,071,000	+13,089,000
Housing grants	24,960,000	24,960,000	.....
Automobiles and other conveyances	8,750,000	8,995,000	+245,000
Adaptive equipment	27,200,000	27,100,000	−100,000
Work-study	45,900,000	51,408,000	+5,508,000
Payment to States	14,000,000	13,000,000	−1,000,000
Reporting fees	3,500,000	3,500,000	.....
Unobligated balance and other adjustments [1]	−317,480,000	−534,308,000	−216,828,000
Total appropriation	2,135,000,000	2,264,808,000	+129,808,000

[1] Includes offsetting collections.

VETERANS INSURANCE AND INDEMNITIES

Appropriations, 2002	$26,200,000
Budget estimate, 2003	27,530,000
Committee recommendation	27,530,000

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 recommends the budget estimate of $27,530,000 for veterans insurance and indemnities. This is an increase of $1,330,000 above the fiscal year 2002 enacted level. The Department estimates there will be 4,203,880 policies in force in fiscal year 2003 with a value of $599,263,090,000.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2002	$203,278,000	$164,497,000
Budget estimate, 2003	437,522,000	168,207,000
Committee recommendation	437,522,000	168,207,000

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 these programs, which may be transferred to and merged with the general operating expenses appropriation.

VA loan guaranties are made to service members, veterans, reservists and unremarried surviving spouses for the purchase of homes, condominiums, manufactured homes and for refinancing loans. VA guarantees part of the total loan, permitting the purchaser to obtain a mortgage with a competitive interest rate, even without a downpayment if the lender agrees. VA requires that a downpayment be made for a manufactured home. With a VA guaranty, the lender is protected against loss up to the amount of the guaranty if the borrower fails to repay the loan.

COMMITTEE RECOMMENDATION

The Committee recommends such sums as may be necessary for funding subsidy payments, estimated to total $437,522,000, and $168,207,000 for administrative expenses. The administrative expenses may be transferred to the "General operating expenses" account. Bill language limits gross obligations for direct loans for specially adapted housing to $300,000.

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2002	$1,000	$64,000
Budget estimate, 2003	1,000	70,000
Committee recommendation	1,000	70,000

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 Committee recommends $1,000 for funding subsidy program costs and $70,000 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 $3,400.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Program account	Administrative expenses
Appropriations, 2002	$72,000	$274,000
Budget estimate, 2003	55,000	289,000
Committee recommendation	55,000	289,000

PROGRAM DESCRIPTION

This appropriation covers the funding subsidy 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 $896 (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 Committee recommends the requested $55,000 for program costs and $289,000 for administrative expenses for the Vocational Rehabilitation Loans Program account. The administrative expenses may be transferred to and merged with the "General operating expenses" account. Bill language is included limiting program

direct loans to $3,626,000. It is estimated that VA will make 5,300 loans in fiscal year 2003, with an average amount of $684.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Administrative expenses
Appropriations, 2002	$544,000
Budget estimate, 2003	558,000
Committee recommendation	558,000

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, 2005. Subsidy amounts necessary to support this program were appropriated in fiscal year 1993.

COMMITTEE RECOMMENDATION

The Committee recommends the budget estimate of $558,000 for administrative expenses associated with this program in fiscal year 2003. These funds may be transferred to the "General operating expenses" account.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

This program was established by Public Law 105–368, the Veterans Programs Enhancement Act of 1998. The program is a pilot project designed to expand the supply of transitional housing for homeless veterans and to guarantee up to 15 loans with a maximum aggregate value of $100,000,000. Not more than five loans may be guaranteed in the first 3 years of the program. The project must enforce sobriety standards and provide a wide range of supportive services such as counseling for substance abuse and job readiness skills. Residents will be required to pay a reasonable fee.

COMMITTEE RECOMMENDATION

All funds authorized for this program have been appropriated. Therefore, additional appropriations are not required. Administrative expenses of the program, estimated at $750,000 for fiscal year 2003, will be borne by the "Medical care" and "General operating expenses" appropriations.

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Appropriations, 2002	[1] $21,331,164,000
Budget estimate, 2003	22,743,761,000
Committee recommendation	23,889,304,000

[1] Does not include pending supplemental of $417,000,000 (H.R. 4775) and transfers.

PROGRAM DESCRIPTION

The Department of Veterans Affairs [VA] operates the largest Federal medical care delivery system in the country, with 172 medical centers, 43 domiciliaries, 137 nursing homes, and 864 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 an appropriation of $23,889,304,000 for VA medical care, an increase of $2,558,140,000 over the fiscal year 2002 enacted level and $1,145,543,000 above the budget request. In addition, VA has authority to retain co-payments and third-party collections, estimated to total $1,448,874,000 in fiscal year 2003. Therefore, the Committee's recommendation represents total resources for medical care of $25,338,178,000.

Access to Care.—The Committee is deeply concerned that in some areas of the country, veterans are denied timely access to care because of long waiting lists for appointments for new patients, and directs VA to report by February 3, 2003, on plans to reduce the waitings lists, including a plan for ensuring that veterans who are on waiting lists can continue to have access to pharmaceuticals while they are waiting for their appointments.

Alaska has the highest percentage of veterans in the Nation, and among Alaskans, Alaskan Natives have an extraordinary high rate of service. However, veterans' services are often spotty or non-existent in most Alaskan Native villages. The Committee urges the Department to provide support to the Alaska Native Veterans Association to provide services to veterans living in Eskimo and Indian villages and communities.

The Committee commends the Department for opening the community-based outpatient clinic on the Kenai Peninsula, Alaska. The demand for services at the clinic, however, has been so high that many veterans often wait months to receive an appointment for routine care. The Committee urges the Department to address the resource needs of the Kenai clinic to ensure that it can meet the needs of the veterans it serves.

The Committee understands that the VA has held preliminary discussions with interested parties in Northeastern Minnesota to assess the need for a community based outpatient clinic in the Fosston/Bemidji area. The Committee strongly urges the VA to ex-

pedite this assessment, and to report to the Committee by March 3, 2003, on the feasibility of opening a clinic in the region.

The Committee urges the Department to continue its support for the Brother Francis Shelter, which provides critical services to homeless veterans in Anchorage, Alaska.

VERA.—The Committee continues to support the core principles underlying the Veterans Equitable Resource Allocation (VERA) system—that VA health care funds should be allocated fairly according to the number of veterans having the highest priority for health care, and aligning resources according to best practices in health care. At the same time, the Committee is supportive of ongoing studies to recommend ways to increase the level of efficiency and fairness for distributing medical care resources. However, the Committee recognizes that recent studies have indicated that modifications to the VERA formula could better account for infrastructure costs and actual patient care costs. The Committee directs the VA to complete the presently planned work as scheduled, and to continue the study in the coming year, updating the results with the most recent data and utilizing the models developed. The Committee further directs the VA to provide interim reports to the Committee in February and June 2003, and a final study with all findings by the end of fiscal year 2003. The final study should include any recommendations to better account for infrastructure costs and actual patient care costs, as well as ways to increase the level of efficiency and fairness for distributing medical care resources.

Finally, the Committee continues to believe that when any Veterans Integrated Service Network (VISN) experiences an operating shortfall that would threaten its ability to serve eligible veterans, and VHA has determined that the VISN has implemented all appropriate economies and efficiencies, VHA should consider providing supplemental allocations to that VISN. To that end, the Committee urges VA to ensure that it reserves sufficient funds to meet the operating need of those VISNs that may require supplemental funding during the year.

Prevention of Amputations, Care, and Treatment.—The Committee is aware of studies that have found that collagen based therapies can reduce the need for amputations by increasing wound heal rates, and directs VA to provide a report by March 3, 2003, on the VA's experience in this matter as well as the VA's future plans to utilize collagen based therapies.

Physician Assistant Advisor.—The Veterans Benefits and Health Care Improvement Act of 2000 (Public Law 106–419) directed the VHA to create a Physician Assistant (PA) Advisor position to the Office of the Under Secretary for Health. The Committee commends VA for filling this position and strongly encourages the VHA to ensure that the PA Advisor position is a full-time position, located in the VA central office or in a VA field medical center that is in close proximity to Washington, DC, and provided sufficient funding to support the administrative and travel requirements associated with the position. The Committee directs VA to report by March 3, 2003, as to the progress made on this matter.

Psychology Post-Doctoral Training Program.—The Committee continues to support the VHA's efforts to strengthen the Psy-

chology Post-Doctoral Training Program. The Committee awaits the progress report due early this year that will include the number of training slots for psychologists and their location.

Long Distance Learning Program for Nursing.—The Committee supports the joint VA/DOD Distance Learning Program, and recommend that the VA continue the distance learning project designed to transition clinical nurse specialists into roles as adult nurse practitioners.

Joslin Vision Network (JVN).—The Committee supports the current level of support to expand the JVN to additional pilot sites in fiscal year 2003. This program benefits diabetic patients by offering improved quality of care through increased access to the highest quality medical expertise and education, and the Committee encourages the VA to initiate new pilot sites to advance the JVN technology toward off-the-shelf deployment.

Homelessness.—The Committee commends the Department's efforts to improve coordination of its homeless programs with other Federal departments and agencies. The Committee is especially pleased with the Department's participation in the Interagency Council on the Homeless. The Committee strongly urges the Department to continue participating in the Council and develop coordinated strategies with other agencies to prevent and end homelessness among veterans.

Clarksburg/Ruby Memorial demonstration.—The Committee supports continuation at current levels of the Clarksburg VAMC/Ruby Memorial hospital demonstration project.

Rural Veterans Health Care Initiative.—The Committee supports continuation at the current level of the Rural Veterans Health Care Initiative at White River Junction, VT VAMC.

Harry S. Truman VAMC.—The Committee strongly urges VA to support development of a new micro-imaging center for the Harry S. Truman VAMC in Columbia, Missouri by providing funds for a micro-MRI, a micro-SPET, and a micro-PET. These research systems will be for imaging experimental mouse or small rat models. These new instruments will assist cancer research specialists in expanding and enhancing their study and treatment of this deadly disease. These additions fill the critical remaining gap in a nationally prominent and unique program in the development of cancer therapeutics and imaging.

Fort Howard VAMC.—The Committee supports the creation of a continuum of care community for veterans at the Fort Howard VAMC in Maryland, and directs the VA to report by October 30, 2002, on the status of these efforts. The report should include specific timelines and milestones for the future.

Ranch Hand Project.—The Committee supports the Ranch Hand project studying the impact of Agent Orange on Alaskan Native veterans and urges the Department to provide the funding necessary to complete this important project.

Minnesota Veterans Home.—The Committee is aware that the Minnesota Veterans Home has designed a comprehensive dementia care program. The Committee supports these efforts, and urges VA to provide support for this initiative.

Preventative Medicine.—The Committee is concerned that the Department's focus on acute care has overshadowed the need to in-

clude preventative medicine in its strategic healthcare delivery portfolio. To that end, the Committee urges the VA to develop strong collaborative efforts with academic public health institutions.

Complementary and Alternative Medicine.—The Committee directs the VA to review the recent final report of the White House Commission on Complementary and Alternative Medicine Policy, and to report by June 27, 2003, on the status of the VA's implementation of the report's recommendations to VA.

The Committee has included bill language delaying the availability until August 1, 2003, of $500,000,000 in the equipment, lands, and structures object classifications.

The Committee has included bill language to make available through September 30, 2003, up to $900,000,000 of the medical care appropriation. This provides flexibility to the Department as it continues to implement significant program changes.

MEDICAL CARE COLLECTIONS FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	[1] $1,031,000,000
Budget estimate, 2003	[2] 1,448,874,000
Committee recommendation	[2] 1,448,874,000

[1] Includes $805,000,000 in MCCF and $226,000,000 in HSIF funds proposed to be transferred to the MCCF.

[2] As estimated in the budget request.

PROGRAM DESCRIPTION

The Balanced Budget Act of 1997 (Public Law 105–33) established the Department of Veterans Affairs Medical Care Collections Fund (MCCF). The Department deposits co-payments and third party insurance payments into this fund.

COMMITTEE RECOMMENDATON

The budget request assumes that VA will collect $1,448,874,000 in co-payments, third party collections, and enhanced use lease proceeds. These funds will be transferred to the Medical Care account to provide direct healthcare services to our Nation's veterans. The Committee has included bill language extending VA's authority to collect co-payments for pharmaceuticals. The Committee has also included bill language making an accounting change to VA's collections account structure. The Committee's recommended change will result in all VA collections being deposited into the Medical Care Collections Fund, to be transferred to the Medical Care account in order to provide direct healthcare services to our Nation's veterans. Currently, VA has two separate collections accounts. The Committee's recommendation would place all of VA's collections into the Medical Care Collections Fund, and will result in better oversight to ensure that all co-payments, third party collections, and enhanced use lease proceeds are applied toward direct healthcare services for our Nation's veterans.

MEDICAL AND PROSTHETIC RESEARCH

Appropriations, 2002	$371,000,000
Budget estimate, 2003	394,373,000
Committee recommendation	400,000,000

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 $400,000,000 for medical and prosthetic research, an increase of $5,627,000 above the budget request and $29,000,000 above the fiscal year 2002 enacted level. 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.

Neurofibromatosis.—Research has documented the link between neurofibromatosis (NF) and cancer, brain tumors, and heart disease. In view of this link, which suggests that research on NF stands to benefit a vast segment of the veteran population, the Committee encourages the VA to increase its NF research portfolio, in addition to continuing to collaborate with other Federal agencies, such as the Department of Defense, in joint initiatives.

Nursing Research Program.—The Committee supports the Nursing Research Program to enable nurses to conduct research that focuses on the specific health care needs of aging veterans, and urges the program's continuation.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriations, 2002	$66,731,000
Budget estimate, 2003	69,716,000
Committee recommendation	69,716,000

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 $69,716,000 for medical administration and miscellaneous operating expenses, an increase of

$2,985,000 above the fiscal year 2002 enacted level and the same as the budget request.

In 2000, VA established a reimbursement process between VHA, NCA, and VBA for project technical and consulting services to be provided by the Facilities Management Service Delivery Office. The estimated level of reimbursement to the Medical Administration and Miscellaneous Operating Expenses account in fiscal year 2003 for facilities management support is $7,155,000.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriations, 2002	$1,195,728,000
Budget estimate, 2003	1,256,418,000
Committee recommendation	1,256,418,000

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 $1,256,418,000 for general operating expenses, an increase of $60,690,000 above the fiscal year 2002 enacted level. The amount provided includes $992,000,000 for the Veterans Benefits Administration and $264,418,000 for general administration. In addition to this appropriation, resources are made available for general operating expenses through reimbursements totaling $423,239,000 for fiscal year 2003, with total estimated obligations of approximately $1,679,657,000.

The Committee recommends making available $65,800,000 of the GOE appropriation for 2 years, a travel limitation of $17,082,000, and the current level of $25,000 for official reception and representation expenses.

Veterans' Employment and Training Programs.—The Committee has not recommended the Administration's proposal to transfer these programs from the Department of Labor to the VA. The Committee expects that these programs will continue through the Department of Labor's Employment and Training Service, and will consider future proposals of this nature subject to the Committee's receiving more specific justifications on how such proposals will improve employment and training services for veterans.

Management Issues.—The Committee is concerned that there continues to be unclear lines of accountability within the Veterans Benefits Administration, leading to diminished enforcement of quality standards and program policies, and reduced efficiency and timeliness in claims processing. The Committee directs VA to report by May 30, 2003, on efforts to address these management issues.

VA Healthcare Information Security.—The Committee is pleased with the VA's efforts to modernize its cyber security infrastructure

to ensure that sensitive VA records, and those of the VHA patient population are protected from cyber attack, and urges the VA to accomplish this high priority objective as quickly as possible. To that end, the Committee supports continuation at current levels of planning and development efforts related to the recent establishment of the Cyber Security Joint Program Office located at the Martinsburg, WV VAMC.

NATIONAL CEMETERY ADMINISTRATION

Appropriations, 2002	$121,169,000
Budget estimate, 2003	133,149,000
Committee recommendation	133,149,000

PROGRAM DESCRIPTION

The National Cemetery Administration 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 154 cemeterial installations in 39 States, the District of Columbia, and Puerto Rico. The Committee's recommendation for the National Cemetery Administration provides funds for all of these cemeterial installations.

COMMITTEE RECOMMENDATION

The Committee recommends $133,149,000 for the National Cemetery Administration. This is an increase of $11,980,000 over the fiscal year 2002 enacted level and the same as the budget request.

OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2002	$52,308,000
Budget estimate, 2003	55,000,000
Committee recommendation	55,000,000

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 the budget request of $55,000,000 for the inspector general. This is an increase of $2,692,000 above the fiscal year 2002 enacted level.

CONSTRUCTION, MAJOR PROJECTS

Appropriations, 2002	$183,180,000
Budget estimate, 2003	193,740,000
Committee recommendation	193,740,000

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, Capital Asset Realignment Enhanced Services (CARES) activities, assessment, and site acquisition where the estimated cost of a project is $4,000,000 or more.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $193,740,000 for construction, major projects, an increase of $10,560,000 above the fiscal year 2002 enacted level and equal to the budget request.

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

CONSTRUCTION, MAJOR PROJECTS

[In thousands of dollars]

Location and description	Available through 2002	2003 request	Committee recommendation
Veterans Health Administration (VHA):			
Palo Alto (Palo Alto Division), CA, Seismic Corrections, Building 2	.....	14,013	14,013
Palo Alto (Palo Alto Division), CA, Seismic Corrections, Building 4 (Research)	.....	21,750	21,750
San Francisco, CA, Seismic Corrections, Building 203	.....	31,000	31,000
West Los Angeles, CA, Seismic Corrections, Building 500	.....	27,200	27,200
Subtotal, Seismic	.....	93,963	93,963
Advance planning fund: Various stations	.....	17,500	17,500
CARES Fund	.....	5,000	5,000
Asbestos abatement: Various stations	.....	7,977	7,977
Subtotal, VHA	.....	124,440	124,440
National Cemetery Administration (NCA):			
Pittsburgh, PA National Cemetery, Phase I Development [1]	.....	16,400	16,400
Southern Florida National Cemetery, Phase I Development [1]	.....	23,300	23,300
Willamette National Cemetery, OR, Columbarium and Cemetery Improvements	.....	8,400	8,400
Advance planning fund: Various stations	.....	1,800	1,800
Design fund: Detroit, MI and Sacramento, CA	.....	3,400	3,400
Subtotal, NCA [2]	.....	53,300	53,300
Department Advance Planning	.....	2,000	2,000
Claims Analyses: Various locations	.....	1,500	1,500
Emergency Response Security Study	.....	2,000	2,000
Judgment Fund: Various locations	.....	10,000	10,000

CONSTRUCTION, MAJOR PROJECTS—Continued

[In thousands of dollars]

Location and description	Available through 2002	2003 request	Committee recommendation
Hazardous Waste: Various locations	.....	500	500
Subtotal, Other line-items	.....	16,000	16,000
Total construction, major projects	.....	193,740	193,740

[1] Land acquisition funds ($15,000,000) in 2001 and design funds ($2,000,000) in 2002 were provided for a new cemetery in Southern Florida. Eighteen million dollars was provided in 2002 for land acquisition in Pittsburgh, Detroit, and Sacramento areas.

[2] National Cemetery Administration major project requests do not include the purchase of pre-placed crypts, which are funded by the Compensation and Pensions appropriation.

The Committee recommends the requested amounts for 4 seismic correction projects in California, but directs that the VA proceed with these projects only upon confirmation that they are found to be consistent with the strategic plan which emerges from the CARES process in VISNs 21 and 22.

The Committee also recommends the requested amounts for development of both the Pittsburgh, Pennsylvania, and the Miami, Florida National Cemeteries, and improvements at the Willamette, Oregon National Cemetery, and design funding for new cemeteries in Detroit, Michigan, and Sacramento, California.

CARES.—The Committee remains strongly committed to the Capital Asset Realignment for Enhanced Services (CARES) initiative to ensure the VA healthcare system can meet the needs of veterans today and in the future. The Committee commends the Department for implementing the first phase of CARES in VISN 12 and supports the Department's recently announced plan to complete CARES for the rest of the VA health care system within 2 years. To that end, the Committee recognizes that VA may have additional resource needs to support CARES studies across the Nation, and directs VA to keep the Committee apprised of any additional needs to ensure that the process can move forward as scheduled.

In support of the new CARES plan, the Committee has provided a total of $40,000,000—$5,000,000 in major construction and $35,000,000 in minor construction—for CARES activities, including advance planning, design development, construction documents, and construction for major capital initiatives stemming from the CARES recommendations.

The Committee directs VA to propose, not later than November 15, 2002, a framework for prioritization of the capital improvement projects that will be identified as priorities as a result of the CARES studies. This proposal should include any necessary modifications to the VA capital investment and appropriations processes for major and minor construction funding.

The Committee also directs the VA to submit, not later than May 15, 2003, a 5-year strategic plan that describes the implementation of CARES, criteria used for priority-setting of projects, estimated funding costs per VISN by year, and estimated savings to be reinvested back into each VISN by year. The Committee directs that this plan be inclusive of all VA infrastructure needs—major, minor, research-related, safety, seismic, and other—so that ultimately, VA

will produce one master list of all priority infrastructure projects. The Committee believes this is imperative to be able to plan for the future resource needs of VA and to eliminate confusion between and among VA's current differing and conflicting priority setting mechanisms.

Finally, the Committee directs that any major construction projects included in future budget submissions meet the following five basic criteria: (1) the project is CARES approved; (2) the project is included in the Department's 5-year strategic plan; (3) the project is a top priority for the VISN in which it is located; (4) the project is at least 30 percent design complete; and (5) the project is authorized.

Beckley, WV nursing home care unit.—The Committee urges the VA to include sufficient funding in the 2004 budget request for a new nursing home care unit at the Beckley, WV VAMC, upon confirmation that the project is consistent with the strategic plan which emerges from the VISN 6 CARES process.

CONSTRUCTION, MINOR PROJECTS

Appropriations, 2002	$210,900,000
Budget estimate, 2003	210,700,000
Committee recommendation	210,700,000

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, CARES activities, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $4,000,000. Public Law 106–117, the Veterans Millennium Health Care and Benefits Act of 1999, gave VA the authority to make capital contributions from minor construction in enhanced-use leases.

COMMITTEE RECOMMENDATION

The Committee recommends $210,700,000 for minor construction, the same as the budget request and $200,000 below the fiscal year 2002 enacted level. The Committee is aware of the authorizing committees' current efforts to raise the limitation on minor construction projects. The Committee understands that the current limitation has not been raised for several years despite the inflationary cost of construction, and supports the authorizers' efforts to address this matter.

St. Louis Parking.—The Committee is aware that the Department is examining the use of enhanced-use leasing at the John Cochran Division of the VA Medical Center in St. Louis, Missouri as a means to address a severe parking deficiency and safety problem at the Medical Center. The Department is encouraged to address this problem consistent with the CARES protocols.

PARKING REVOLVING FUND

Appropriations, 2002	$4,000,000
Budget estimate, 2003	.....
Committee recommendation	.....

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 for the parking revolving fund in fiscal year 2003. Leases will be funded from parking fees collected.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriations, 2002	$100,000,000
Budget estimate, 2003	100,000,000
Committee recommendation	100,000,000

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. Public Law 102–585 granted permanent authority for this program and Public Law 106–117 provided greater specificity in directing VA to prescribe regulations for the number of beds for which grant assistance may be furnished.

COMMITTEE RECOMMENDATION

The Committee recommends $100,000,000 for grants for the construction of State extended care facilities, equal to the fiscal year 2002 enacted level and the budget request. This program cost-effectively meets long-term health care needs of veterans.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS' CEMETERIES

Appropriations, 2002	$25,000,000
Budget estimate, 2003	32,000,000
Committee recommendation	32,000,000

PROGRAM DESCRIPTION

Public Law 105–368, amended title 38 U.S.C. 2408, which 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. This amendment increased the maximum Federal Share from 50 percent to 100 percent in order to fund construction costs and the initial equipment expenses when the cemetery is established. The States

remain responsible for providing the land and for paying all costs related to the operation and maintenance of the State cemeteries, including the costs for subsequent equipment purchases.

COMMITTEE RECOMMENDATION

The Committee recommends $32,000,000 for grants for construction of State veterans' cemeteries in fiscal year 2003, $7,000,000 above the fiscal year 2002 enacted level and the same as the budget request.

ADMINISTRATIVE PROVISIONS

The Committee has included 10 administrative provisions (Sections 101–110) carried in earlier bills. Among these are:

Section 107 enables 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 $38,110,000 will be reimbursed to the "General operating expenses" account as a result of this provision.

Section 108 extends the VA's Franchise Fund pilot program.

Section 109 enables the VA to reimburse accounts from enhanced use lease proceeds.

Section 110 allows for fiscal year 2003 only, the reimbursement of the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA) for services provided, from funds in any appropriation for salaries and other administrative expenses.

Section 111 is a new administrative provision that: (1) reauthorizes VA's authority to collect co-payments for prescription drugs; and (2) makes an accounting change to combine the Health Services Improvement Fund (HSIF) and the Medical Care Collections Fund (MCCF), as described earlier in this report.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Appropriations, 2002	$32,148,695,000
Budget estimate, 2003	31,348,851,000
Committee recommendation	32,082,924,000

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 for fiscal year 2003 an appropriation of $32,082,924,000 for the Department of Housing and Urban Development. This is $65,771,000 below the fiscal year 2002 enacted level and an increase of $734,073,000 above the budget request.

HOUSING CERTIFICATE FUND

(INCLUDING RECISSION AND TRANSFERS OF FUNDS)

Appropriations, 2002	[1] $15,641,000,000
Budget estimate, 2003	[2] 17,527,000,000
Committee recommendation	17,412,464,000

[1] Includes an advance appropriation of $4,200,000,000 for fiscal year 2001.
[2] Includes an advance appropriation of $4,200,000,000 for fiscal year 2002.

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 over 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 $17,412,464,000, including the necessary funds to renew all expiring section 8 contracts. These funds also cover the costs of enhanced 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, as well as in certain circumstances where owners of assisted multifamily housing opt out of the section 8 program. Consistent with the budget resolution, this account includes an advance appropriation of $4,200,000,000 for the remaining costs of contracts renewed in calendar year 2003 for the months requiring section 8 assistance during calendar year 2004.

Other activities eligible for funding under this account include: the conversion of section 23 projects to assistance under section 8; the relocation and replacement of demolished or disposed properties; 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.

The Committee includes $90,075,000 for 15,000 additional, incremental vouchers instead of the administration's request of $204,170,000 for 34,000 incremental vouchers.

Within the amount provided for incremental vouchers, the Committee has provided $40,000,000 be used to provide needed section 8 tenant-based housing assistance for disabled families. The Committee also has included $20,000,000 for new welfare-to-work vouchers. The Committee has included funding for welfare-to-work vouchers in order to facilitate the successful transition of working people off of income subsides. Housing affordability continues to be one of the primary problems for families who are moving from welfare to work. The Committee is concerned that vouchers designated for people with disabilities are being converted to non-designated vouchers. The Committee intends for vouchers that are appropriated for people with disabilities and for people moving from welfare to work to remain available to these populations. The Committee has included bill language to clarify this position.

The remaining funds made available for new vouchers are designated for incremental vouchers to be made available on a fair share basis to public housing authorities that have no less than a 97 percent occupancy rate. This is to ensure that this assistance is provided to areas with the greatest need. The Department is ex-

pected to distribute this assistance within 90 days of enactment of this legislation.

The Committee did not provide the administration's request for an additional 34,000 new vouchers because of ongoing concerns over the effectiveness of tenant-based vouchers in providing decent, safe, and affordable housing to low-income people. The Committee is deeply concerned that the tenant-based voucher program offers a false promise of rental choice that recipients cannot realize. In many instances, voucher holders have limited choices, and end up concentrated in the same low-income neighborhoods. This result is antithetical to the goals of the program, which include resident choice, mixed-income housing, and decent living conditions. The Committee urges HUD to make voucher reform a priority for the Department.

The Committee also directs HUD to identify in its fiscal year 2004 budget justification the renewal costs associated with each project-based section 8 program, such as the section 8 moderate rehabilitation program and the section 515 program.

The Committee urges the administration to use all available tools at its disposal to preserve existing project-based section 8 units. By one estimate, over 675,000 contracts on project-based section 8 units are due to expire by 2005. The Committee is very concerned about the loss of these units, given the shortage in the supply of affordable housing, and in light of this Committee's substantial investment in those units. With an initial report due by January 18, 2003, the Department is directed to submit quarterly reports to this Committee on the number of units and properties where owners have elected to opt out of a section 8 contract, or to prepay the HUD mortgage. The report should also detail the repair needs for apartments covered by expiring section 8 contracts, and actions taken by the Department to preserve and/or improve the units.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$2,843,400,000
Budget estimate, 2003	2,425,900,000
Committee recommendation	2,783,400,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of public housing authorities (except Indian housing authorities), including management improvements, resident relocation and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $2,783,400,000 for the public housing capital fund, $357,500,000 more than the budget request and $60,000,000 below the fiscal year 2002 enacted level. The Committee has rejected the reduction proposed by the administration in light of the approximate $20,000,000 in public housing captial needs.

Of the amount made available under this section, up to $55,000,000 is for supportive services for residents of public housing, and up to $15,000,000 is for the Neighborhood Networks Initiative in public housing. Funds for the Neighborhood Networks Initiative are provided to establish and operate computer centers in and around public housing. The Committee provides these funds so that residents of public housing can have access to the technology skills that are increasingly important in the 21st century workplace. The Committee is concerned that HUD does not have a comprehensive plan to address the digital divide, despite the Committee's urging last year to develop such a plan.

HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937, but is provided up to $75,000,000 for emergency capital needs.

The Committee does not accept the administration's legislative proposal to finance privately the capital needs of public housing with secton 8 funds. The Committee is concerned that the proposal could result in a loss of public housing units, and would not benefit public housing units with the greatest capital needs. The Committee agrees, however, that Public Housing Authorities should have the tools they need to finance improvements to public housing units. New authority is needed so that Public Housing Authorities can use funds they receive to address deferred maintenance needs. The Committee includes a provision to allow public housing authorities the flexibility to use public housing funds to leverage private capital to rehabilitate distressed units and develop public housing units in mixed-income housing developments.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2002	$3,494,868,000
Budget estimate, 2003	3,530,000,000
Committee recommendation	3,530,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to some 3,050 public housing authorities (except Indian housing authorities) with a total of over 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $3,530,000,000 for the public housing operating fund, an increase of $35,132,000 over the fiscal year 2002 level and the same as the budget request. HUD is prohibited from using any funds under this account as an emergency reserve under section 9(k) of the United States Housing Act of 1937.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING
[HOPE VI]

Appropriations, 2002	$573,735,000
Budget estimate, 2003	574,000,000
Committee recommendation	574,000,000

PROGRAM DESCRIPTION

The "Revitalization of severely distressed public housing" account makes awards to public housing authorities on a competitive basis to demolish obsolete or 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 difficult to manage effectively due to multiple deficiencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $574,000,000 for the "HOPE VI" account, the same as the budget request and the same as the fiscal year 2002 enacted 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.

Of the amount provided under this account, $5,000,000 is for a Neighborhood Networks Initiative in HOPE VI developments. These are additional funds for the development and operation of computer centers, and are not intended to supplant grants for computer centers that are made to PHAs in the normal HOPE VI process.

The Committee has included bill language to sunset the HOPE VI program on September 30, 2003. The Committee is taking this action because of concerns over the future and mandate of the HOPE VI program. Since the inception of the HOPE VI program, HUD has approved the demolition of approximately 140,000 units. The Committee directs the Department to submit a report by June 15, 2003, on the number and location of severely distressed public housing units that are in need of substantial revitalization or demolition. Further, the Committee urges the Department to use the lessons learned since the inception of the HOPE VI program to inform its reauthorization proposal. Successful HOPE VI developments have spurred the revitalization of low-income neighborhoods and provided new opportunities to residents of public housing. The Committee urges the Department to submit legislation that would codify those practices used by PHAs that have successfully implemented the HOPE VI program. The Committee stresses the importance of a meaningful reauthorization process, and urges the Department to work with the appropriate authorizing committees to make HOPE VI a viable program for future years.

NATIVE AMERICAN HOUSING BLOCK GRANT

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2002	$648,570,000
Budget estimate, 2003	646,594,000
Committee recommendation	648,570,000

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 (NAHASDA).

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.

COMMITTEE RECOMMENDATION

The Committee recommends $648,570,000 for the native American housing block grant, of which $5,987,000 is set aside for a credit subsidy for the section 601 Loan Guarantee Program. The Committee recommendation is $1,976,000 more than the budget request and the same as the fiscal year 2002 enacted level.

The Committee believes that training and technical assistance in support of NAHASDA should be shared, with $2,200,000 to be administered by the National American Indian Housing Council (NAIHC) and $5,000,000 by HUD in support of the inspection of Indian housing units, contract expertise, training and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance.

The Committee notes that there is not a requirement that qualified Indian and Alaska Native owned construction companies be given priority consideration in construction of Indian housing. In many Indian and Native communities, the unemployment rate exceeds 80 percent, and housing contracts would provide much needed employment and training opportunities for Native Americans living on reservations and in Alaska Native villages. The Committee directs the agency and its grantees to give priority consideration to qualified Native owned firms in the design and construction of Indian housing.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$5,987,000
Budget estimate, 2003	5,000,000
Committee recommendation	5,000,000

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 $5,000,000 in program subsidies to support a loan guarantee level of $197,243,000. This is $987,000 less than the fiscal year 2002 enacted level and the same as the budget request.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$1,000,000
Budget estimate, 2003	1,000,000
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

This program provides access to private financing for Native Hawaiians who otherwise could not acquire housing financing because of the unique status of the Hawaiian Home Lands as 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 RECOMMENDATIONS

The Committee recommends $1,000,000 in program subsidies to support a loan guarantee level of $39,712,000. This is the same as the fiscal year 2002 enacted level and the same as the budget request.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS [HOPWA]

Appropriations, 2002	$277,432,000
Budget estimate, 2003	292,000,000
Committee recommendation	292,000,000

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 $292,000,000 for this program, $14,568,000 above the fiscal year 2002 enacted level and the same as the budget request.

The Committee requires HUD to allocate these funds in a manner that preserves existing HOPWA programs to the extent those programs are determined to be meeting the needs of persons with AIDS.

OFFICE OF RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriations, 2002	$25,000,000
Budget estimate, 2003	.....
Committee recommendation	25,000,000

PROGRAM DESCRIPTION

The Office of Rural Housing and Economic Development was established to ensure that the Department has a comprehensive approach to rural housing and rural economic development issues. The account includes funding for technical assistance and capacity

building in rural, underserved areas, and grants for Indian tribes, State housing finance agencies, State economic development agencies, rural nonprofits and rural community development corporations to pursue strategies designed to meet rural housing and economic development needs.

COMMITTEE RECOMMENDATION

The Committee recommends $25,000,000 for the Office of Rural Housing and Economic Development for fiscal year 2003 to support housing and economic development in rural communities as defined by USDA and HUD. This funding level is the same as the fiscal year 2002 level and $25,000,000 above the budget request.

The Committee does not accept the administration's recommendation to eliminate funding for this program. The Committee believes that the Office of Rural Housing and Economic Development plays an important role in HUD's community development activities. Twenty-five percent of nonmetropolitan homes are renter-occupied, and the high cost of housing burdens those in rural areas, as it does in urban communities. Furthermore, the Committee notes that the programs of the Office of Rural Housing and Economic Development are sufficiently different from the housing programs administered by the Department of Agriculture to warrant separate appropriations.

HUD is directed to administer this program according to existing regulatory requirements. It is expected that any changes to the program shall be made subject to notice and comment rulemaking.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

Appropriations, 2002	$45,000,000
Budget estimate, 2003	.....
Committee recommendation	30,000,000

PROGRAM DESCRIPTION

The Empowerment Zones/Enterprise Communities (EZ/EC) program was authorized under the Omnibus Budget Reconciliation Act of 1993. The Taxpayer Relief Act of 1997 later authorized two additional Round I urban EZs and 15 Round II urban EZs. This interagency initiative is designed to create self-sustaining, long-term development in distressed urban and rural areas throughout the Nation. The program utilizes a combination of Federal tax incentives and flexible grant funds to reinvigorate communities that have been in decline for decades.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $30,000,000 for this program, $15,000,000 less than the fiscal year 2002 enacted level and $30,000,000 more than the budget request. These funds will be distributed to the 15 communities that received a second round EZ designation. The Committee remains concerned that the previous Administration acknowledged that this program was intended to be funded as a mandatory program and not as an obligation of this bill. The Committee urges the Senate Finance Committee to fund this program as mandatory. Moreover, the Committee remains concerned over accountability in this program and

notes that the HUD Inspector General has been critical about how communities have implemented this program and used EZ funds.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2002	[1] $5,000,000,000
Budget estimate, 2003	4,732,500,000
Committee recommendation	5,050,000,000

[1] Does not include a $2,000,000,000 appropriation made in the 2002 emergency supplemental bill.

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 entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for special purpose grants and Indian tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $5,050,000,000 for the Community Development Block Grant [CDBG] program in fiscal year 2003. This is an increase of $317,500,000 above the budget request for fiscal year 2003 and $50,000,000 more than the fiscal year 2002 enacted level.

The Committee has included $4,610,200,000 for community development block grants (CDBG). The Committee does not include funding for the Administration's Colonias Gateway Initiative. The Committee encourages the Department to seek an authorization of the legislation required for this proposal and to perform a thorough review of the CDBG formula before proposing adjustments.

Set-asides under this account include $72,500,000 for native Americans; $3,300,000 for the Housing Assistance Council; $2,600,000 for the National American Indian Housing Council; $35,500,000 for the National Community Development Initiative; and $45,500,000 for section 107 grants, including $4,000,000 to support Alaska Native-Serving Institutions and Native Hawaiian-Serving Institutions; $3,000,000 for competitive grants awarded to Tribal Colleges and Universities to build, expand, renovate, and equip their facilities; $3,000,000 for community development work

study, $11,000,000 for historically black colleges and universities, of which up to $2,000,000 is for technical assistance, $7,000,000 for insular areas; and $7,500,000 for Hispanic-serving institutions. The Committee includes $10,000,000 for assistance authorized under the Hawaiian Homelands Homeownership Act of 2000 under section 107. The Administration proposed to fund this program in a separate account.

In addition, this legislation includes a set-aside of $140,000,000 for the Economic Development Initiative (EDI) 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:

$1,000,000 for Arkansas State University at Mountain Home to develop community outreach programs;

$1,000,000 for Clark County, Nevada for the construction of a community center;

$900,000 for the City of Riverton, Utah for reconstruction of a Historic City Civic Center;

$1,500,000 for the RMC Aviation Training Center in Billings, Montana;

$200,000 for Baltimore Clayworks in Baltimore, Maryland to expand the facility;

$200,000 for the Audubon Center in Sandstone, Minnesota for the capital construction project;

$500,000 for Boysville of Michigan in Detroit for the Samaritan Outreach Center;

$500,000 for the Michigan Regional Carpenters Council for the Alter Kercheval Housing Project;

$400,000 for the Asian Pacific Community Center in St. Paul, Minnesota to create an urban village;

$250,000 for the Friends of Youth in Renton, Washington for building renovations;

$250,000 for Horizons, Inc. in Sunnyside, Washington for technology training centers;

$400,000 for Audubon Nebraska for the Spring Creek Prairie Education Center;

$800,000 for Topeka, Kansas for redevelopment activities in Topeka, Kansas;

$800,000 for the Schenectady Municipal Housing Authority, New York for community development and revitalization;

$750,000 for the City of Daytona Beach, Florida for boardwalk area revitalization;

$600,000 for the City of Baltimore, Maryland for the Main Street Initiative;

$750,000 for the County of Hawaii for the construction of an emergency homeless shelter in Kailua-Kona;

$750,000 for the City of Cincinnati, Ohio for the development of the Ohio River Trail;

$750,000 for the city of Milwaukee, Wisconsin for the Menomonee River Valley Redevelopment project;

$700,000 for the Pojoaque Pueblo of New Mexico to complete the Poeh Cultural Center and Museum;

$700,000 for Franklin County MetroParks, Franklin County, Ohio for the purchase of land in the Darby Creek Watershed;

$700,000 for the City of Charleston, South Carolina for pre- and post homeownership classes;

$1,000,000 for the City of Columbia, South Carolina for the redevelopment of the Drew Park Wellness Center;

$1,000,000 for El Paso, Texas for the renovation of the El Paso Plaza Theatre;

$600,000 for the City of Madera, California for a community cultural and youth center;

$1,300,000 for Sevier County, Utah for development of a Multi-Events Center;

$1,000,000 for Anchorage, Alaska for an expansion of the Anchorage Museum;

$600,000 for Marguerite's Place, Nashua, New Hampshire to provide transitional housing for women who are victims of domestic abuse and their children;

$600,000 for the New Jersey Community Development Corporation for the Transportation Opportunity Center;

$600,000 for the City of Portland, Oregon for a central city streetcar extension;

$200,000 for Biddeford, Maine for theater restoration;

$200,000 for the Mississippi Tribe of Choctaw for the development of a Choctaw Veterans Memorial;

$500,000 for the Mobile Historic Development Commission in Mobile, Alabama for a Neighborhood Initiative Program;

$500,000 for the Mananuska-Susitna Borough for an agricultural processing facility in Wasilla, Alaska;

$500,000 for Ketchikan, Alaska for the Tongass Coast Aquarium in Ketchikan, Alaska;

$500,000 for the Southside Community Center in Fairbanks, Alaska for an addition;

$500,000 for the World War II Lend Lease Museum in Anchorage, Alaska;

$500,000 for the Arkansas YMCAs for program development;

$500,000 for the Wilmington Housing Authority, Delaware for redevelopment of blighted land;

$500,000 for Spellman College in Atlanta, Georgia for renovations of Packard Hall;

$500,000 for the Dekalb County Community Center, Georgia for the construction of a community center;

$500,000 for the County of Kauai, Hawaii for the West Kauai High Tech Training Facility;

$1,000,000 for the City of Rugby, North Dakota to complete information technology and energy projects;

$350,000 for Providence College, Rhode Island for the construction of a cultural arts center;

$350,000 to the Vermont Housing and Conservation Board for the development of affordable housing in Vergennes, Vermont;

$1,000,000 for the North Dakota Tourism Department for the Three Affiliated Tribes Interpretative Center;

$500,000 for the Clearwater Economic Development Association in Clearwater, Idaho for the Lewis and Clark Bicentennial Solid Waste Disposal program;

$400,000 for Coastal Carolina University in Conway, South Carolina for The Center for Economic and Community Development to provide affordable housing;

$500,000 for Boise State University, Idaho for a Center for Environmental Science and Economic Development;

$500,000 to the City of Des Moines, Iowa for the Agriment Technology Park;

$500,000 for the City of Chicago, Illinois for cleanup associated with economic development in Chicago's Pilsen/Little Village Community;

$500,000 to the Chicago Park District for Phase II of Ping Tom Memorial Park development in Chicago's Chinatown community;

$500,000 for the Ernest Morial New Orleans Exhibition Hall Authority in Louisiana for the expansion of the Morial Convention Center;

$500,000 for the University of Louisiana, Lafayette for the National Wetlands Research Center;

$500,000 for the Biomedical Research Foundation in Shreveport, Louisiana for infrastructure improvements and development of an incubator;

$500,000 for University of Maine (Fort Kent and Presque Isle) Aroostook County Development Effort;

$500,000 for the Greektown Community Development Corporation in Baltimore, Maryland for the Housing and Business Stabilization Project;

$500,000 for Montgomery County, Maryland for the revitalization of Fenton Street Village;

$500,000 for Prince George's County, Maryland for acquisition and rehabilitation of properties along the Route 1 corridor;

$500,000 for the West Arlington Improvement Center to rehabilitate a water tower and construct a new multi-purpose center in Baltimore, Maryland;

$500,000 for Anne Arundel County, Maryland for the Wiley Bates High School Redevelopment project;

$500,000 for the FOCUS: HOPE Institute in Detroit, Michigan to renovate a job-training facility;

$500,000 for the NorthStar Community Development Corporation in Detroit, Michigan to build affordable housing;

$500,000 for the Northeast Ventures Corporation in Duluth, Minnesota for a revolving loan fund;

$500,000 for the Red Lake Band of Chippewa Indians in Red Lake, Minnesota for the construction of a criminal justice complex;

$500,000 for Tchula, Mississippi for the development of a municipal complex;

$500,000 for the City of Kewanee, Mississippi for the development of the Kewanee industrial park;

$3,000,000 for West Virginia Wesleyan College in Buckhannon, West Virginia for renovation/expansion of a science hall;

$500,000 for Pearl, Mississippi for the renovation of a community center;

$500,000 for the Boathouse Museum in St. Charles, Missouri;

$500,000 for the City of Chillicothe, Missouri for downtown revitalization;

$100,000 for Montgomery City, Missouri for streetscape improvements;

$500,000 for the Westside Housing Organization in Kansas City, Missouri for the Westside Agency Collaboration;

$500,000 for the Advanced Technology Center in Mexico, Missouri for expansion;

$500,000 for the City of Cape Girardeau, Missouri for downtown revitalization;

$500,000 for the Thomas Hill Enterprise Center in Macon, Missouri to build low income housing;

$500,000 for the Palestine Senior Citizens Center in Kansas City, Missouri for the Kansas City Area Assisted Living Center for the Elderly;

$500,000 for Billings, Montana for the expansion of the HRDC District 7 Building;

$500,000 for Billings Deaconess Clinic Research Facility in Billings, Montana;

$500,000 for the Yellowstone Boys and Girls Ranch in Billings, Montana for renovation;

$500,000 for the Portsmouth Riverwalk, Portsmouth, New Hampshire to assist in the creation of a safe pedestrian link between scenic and historical destinations and New Hampshire's only working deep water seaport;

$500,000 for the Bayshore Senior Center in Keansburg, New Jersey for renovations;

$500,000 for the Children's Cultural Center in Red Bank, New Jersey for the renovation of Shrewsbury Township Hall;

$500,000 for the New Mexico Food Bank Association, Albuquerque, New Mexico, for the Gleaning Project;

$500,000 for the City of North Las Vegas, Nevada for neighborhood redevelopment;

$400,000 for the City of Brookings, South Dakota for downtown redevelopment;

$400,000 for the Southeast Council of Governments, South Dakota to establish a revolving loan fund;

$500,000 for Spirit Lake Tribal Court in Fort Totten, North Dakota for renovations to the Spirit Lake Courthouse;

$500,000 for the City of Dayton, Ohio for the development of structures in the Main Street Historic Mission;

$500,000 for the Lawrence Economic Development Corporation for the development of the Point Commercial/Industrial Park in Ohio;

$500,000 for the Toledo-Lucas County Port Authority for the Northwest Ohio Brownfield Restoration Initiative;

$500,000 for Capitol University Center, Pierre, South Dakota to construct a facility for job training;

$500,000 for Center for Rural Collaboration and Partnerships for facility construction;

$500,000 for the City of Rapid City, South Dakota to build a business incubator;

$500,000 for the City of Clark, South Dakota for development of an industrial property;

$500,000 for the City of Chattanooga, Tennessee for the revitalization of Alton Park;

$500,000 for Nashville, Tennessee for the revitalization of Rolling Mill Road;

$500,000 for Lubbock, Texas for capital needs of the Lubbock Amphitheater;

$500,000 for the Vermont Institute of Science for the construction of a new public education and wildlife center;

$500,000 for the SWIFT Cyber Corporation in Washington for broadband access;

$500,000 for the YMCA of Seattle, Washington for the Griffin Home Renovation;

$500,000 for the city of Madison, Wisconsin for the development of affordable housing;

$450,000 for Eckerd College in St. Petersburg, Florida for the expansion of the Youth Opportunity and Development Center;

$450,000 for the Discovery Center for the development of an exhibit in Springfield, Missouri;

$2,000,000 for Colorado UpLift;

$2,000,000 for Potomac State College in Keyser, West Virginia for renovation of a library;

$2,000,000 for Glenville State College in Summersville, West Virginia for the construction of a new campus community education center;

$430,000 for the Seattle Art Museum, Washington for brownfields cleanup;

$400,000 for the Town of Ledyart, Connecticut to build a public safety services building;

$400,000 for the Hartt School of Performing Arts Education Center in West Hartford, Connecticut for building renovations;

$400,000 for the Riverfront Development Corporation in Wilmington, Delaware for an environmental education center;

$400,000 to the City of Council Bluffs for land acquisition and clean-up;

$400,000 to the City of Dubuque, Iowa for land acquisition and clean-up;

$400,000 to the City of Waterloo for redevelopment of the Rath area brownfields and housing development;

$1,000,000 for the University of Missouri-Kansas City for academics investments related to the Cardiovascular Proteomics Center;

$1,000,000 for Southeast Missouri State University to build a small business incubator;

$400,000 to the City of Davenport, Iowa for the Scott County Housing Council trust fund;

$400,000 for the Mercy Home for Boys and Girls in Chicago, Illinois for facility expansion;

$400,000 for the Merit School of Music in Chicago, Illinois for the construction of a new facility;

$1,000,000 for the Clearwater Economic Development Association in Clearwater, Idaho for the implementation of the Lewis and Clark Bicentennial Plan;

$300,000 for the City of Vidalia, Louisiana for riverfront redevelopment;

$750,000 for the County of Maui, Hawaii for senior housing;

$750,000 for the City of St. Paul, Minnesota for renovations to existing low-income housing;

$400,000 for Bethel Outreach Center in Baltimore, Maryland for development of a cyber community center;

$400,000 for Northern Forest Heritage Park, Berlin, New Hampshire to help create heritage based tourism and regional economic development;

$400,000 for the Mines Falls Park Restoration, Nashua, New Hampshire to restore historic gatehouse and assist in developing an educational resource center;

$400,000 for Capitol Center for the Arts, Concord, New Hampshire to enhance programming and make renovations to the facility;

$400,000 for the Urban League State Council in New Brunswick, New Jersey for the New Futures Projects;

$100,000 for the Carving Studio in West Rutland, Vermont for building renovations;

$100,000 for the City of Forks, Washington for telecommunications initiatives;

$400,000 for Willingboro Township, New Jersey for the Kennedy Senior Center construction project;

$400,000 for the Pueblo of Cochiti, New Mexico for the construction of a community center;

$400,000 for Turtle Mountain Community College in Belcourt, North Dakota to complete construction of an economic development complex;

$200,000 for the Meeting Street School in Providence, Rhode Island for the construction of a National Center of Excellence;

$200,000 for St. Elizabeth's Home in Providence, Rhode Island for low-income assisted living;

$400,000 for New Economy Initiative in North Dakota for technology training;

$400,000 for the Rhode Island Community Food Bank in Providence for a new warehouse facility;

$400,000 for the City of Vermillion, South Dakota for a business incubator;

$400,000 for the City of Burlington, Vermont for neighborhood revitalization;

$400,000 for the Lund Family Center in Burlington, Vermont for building renovations;

$400,000 for the Town of Madison, Wisconsin for the Novation Technology Campus;

$350,000 for the Massachusetts Technology Enterprise Fund for providing internet access to rural and low income areas;

$350,000 for the Missouri School Board Association for the C.L.A.S.S. Program;

$500,000 for the Alternative Structures International in Waianae, Hawaii for expansion of housing facilities;

$500,000 for the City of Wichita, Kansas for the development of Mennonite Housing;

$350,000 for the Center for Economic Growth in Albany, New York for the Regional Technology Roadmap project;

$350,000 for the Erie Municipal Airport Authority for the redevelopment of the recently acquired, former Fenestra window manu-

facturing facility in Erie, Pennsylvania, to serve the needs of major air express carriers as an on-airport integrated service center;

$300,000 for Haleyville, Alabama for a downtown revitalization project;

$300,000 for the Florence Crittenden Home in Little Rock, Arkansas for the expansion of services, education programs, and emergency shelter;

$300,000 for the Wadsworth Atheneum in Hartford, Connecticut for expansions and renovations;

$3,000,000 to Tuscaloosa, Alabama for the Tuscaloosa Downtown Revitalization Project;

$300,000 for Hall Neighborhood House in Bridgeport, Connecticut to build a child care center;

$300,000 for the Jacksonville Port Authority, Florida for brownfields clean-up;

$300,000 for College Partners Inc. in Atlanta, Georgia for neighborhood revitalization;

$300,000 for the Tubman Museum in Macon, Georgia for a new facility;

$300,000 for the Nanakuli Neighborhood in Oahu, Hawaii for housing management classes;

$300,000 for the State of Hawaii for the Boys and Girls Club of Hawaii;

$300,000 to the City of Clinton, Iowa for development in the business park area;

$300,000 to the Mid-American Housing Partnership in Cedar Rapids, Iowa for the Housing Trust Fund;

$900,000 for the South Carolina Association of Community Development Corporations in Charleston for job training;

$1,000,000 for the City of Summersville, West Virginia for the expansion of the National Guard Readiness Center;

$300,000 to the City of Cedar Rapids, Iowa for brownfields redevelopment;

$450,000 for the Audubon Nature Institute in New Orleans, Louisiana for revitalization of a historic building;

$300,000 for Mott Community College in Flint, Michigan to develop a program and curriculum to improve workforce and manufacturing development;

$300,000 for Pinola, Mississippi for the renovation of the historic Pinola School House;

$300,000 for Natchez, Mississippi for the development of the Natchez-Adams County industrial park;

$300,000 for Petosi/Washington County Industrial Development Authority for the Petosi Industrial Park.

$300,000 for the City of Omaha, Nebraska for the creation of information technology training;

$300,000 for Strawberry Banke, Portsmouth, New Hampshire to assist in the design and planning of programming and create partnerships with neighborhood associations and organizations for disadvantaged youth;

$300,000 for the Borough of Paulsboro, New Jersey for brownfields redevelopment;

$300,000 for the Community Pantry in Gallup, New Mexico;

$300,000 for the Boys and Girls Club of Santa Fe, New Mexico for the construction of a facility;

$300,000 for Chautauqua County, New York for high-speed, broadband fiber installation;

$300,000 for the Cleveland Foodbank for the development of a new food distribution center;

$300,000 for Crook County, Oregon to construct a human services building;

$300,000 for the City of Dalles, Oregon for the construction of the Dalles riverfront access project in Oregon;

$300,000 for the Community Initiatives Development Corporation, Our City Reading, for the rehabilitation of abandoned houses and parks in Reading, Pennsylvania, to provide quality home ownership opportunities to low-income families;

$300,000 for Lehigh County, Pennsylvania to construct a Regional Public Training Facility, which will provide services, programs and cross training to professional and volunteer service providers;

$250,000 for the Mystic Valley Development Corporation in Medford, Massachusetts for the development of a technology and research center;

$250,000 for the New Bedford Waterfront Historic Area League, Massachusetts for restoration of low income housing;

$300,000 for the City of Sturgis, South Dakota for the construction of a community library;

$300,000 for the City of Orem, Utah for improvement of Nielsen's Grove Historical Park;

$300,000 to the Vermont Housing and Conservation Board for rehabilitation and construction of affordable housing in the historic Tuttle Building in Rutland, Vermont;

$300,000 to the City of Burlington for construction of the Intervale Food Enterprise Center in Burlington, Vermont;

$300,000 for the Vermont Development Initiative to expand their services throughout Vermont;

$300,000 for the Vermont Housing and Conservation Board in Stowe, Vermont for the creation of affordable housing;

$300,000 for the Vermont Housing and Conservation Board in Newport, Vermont for the expansion of affordable senior housing;

$250,000 for the City of Talladega, Alabama for the restoration of the Historic Antique Talladega;

$250,000 for Covenant House California in Oakland to purchase and renovate a building;

$250,000 to the Martin Luther King Jr., Freedom Center in Oakland, California to build a community center;

$250,000 to the Los Angeles Theatre Group in Culver City, California for building renovations;

$250,000 for the Corporation for Supportive Housing in California for a homeless intervention program;

$250,000 for Lewis-Clark State College for the Idaho Virtual Incubator;

$250,000 for the Historic Silver City Foundation in Silver City, Idaho for the restoration of the historic Silver City School;

$250,000 for the Youth Services Bureau of Illinois in LaSalle County for improvements and relocation of facilities;

$1,000,000 for Alaska Pacific University for the restoration of an historic property in Anchorage, Alaska;

$1,000,000 for Petersburgh, Alaska for waterfront improvements;

$250,000 for Cornerstone Services in Joliet, Illinois for renovation of facility;

$250,000 for the City of Quincy, Illinois to renovate the historic downtown Washington Theatre;

$250,000 for the City of Peoria, Illinois for infrastructure improvements to foster economic development in the biosciences field;

$250,000 for Dillard University, New Orleans, Louisiana for the International Center for Economic Freedom;

$250,000 for Advocates for Science and Math Education, New Orleans, Louisiana for construction of a building for the New Orleans Center for Science and Math;

$250,000 for the City of Westbrook, Maine for a parking facility;

$250,000 for the City of Brewer, Maine for waterfront redevelopment;

$250,000 for the Preble Street Resource Center in Maine for a homeless teen center and health clinic;

$250,000 for the Piscataquis County Economic Development Council for a business incubator in Greenville, Maine to support and house businesses seeking to commercialize wood composite material;

$250,000 for Harford County, Maryland for a digital inclusion project in Edgewood;

$250,000 for the Suitland Family and Life Development Corporation in Glenarden, Maryland for development of the Suitland Technology Center;

$250,000 for Montgomery County, Maryland for façade improvements and streetscaping in Wheaton;

$250,000 for Montgomery County, Maryland for the construction of community centers in Long Branch;

$500,000 for the City of Worcester, Massachusetts for neighborhood revitalization and redevelopment;

$500,000 for the City of Boston, Massachusetts for development of low and moderate income housing;

$250,000 for Neighborhood House in St. Paul, Minnesota to construct a new city center;

$250,000 for the City of Warrensberg, Missouri for downtown revitalization;

$250,000 for the City of Beloit, New Hampshire for neighborhood redevelopment;

$250,000 for the City of Grove City, Ohio for the development of the All Children Adventure Playground at Fryer Park;

$250,000 for the Providence Public Library, Rhode Island for the South Providence Branch renovation;

$250,000 for the Town of Glocester, Rhode Island for the Glocester Senior Center;

$250,000 to the Vermont Broadband Council to promote broadband accessibility throughout Vermont;

$250,000 for Mary Baldwin College in Staunton, Virginia for the Center for the Exceptionally Gifted;

$250,000 for Transitions in Spokane, Washington to purchase a building for the Women's Drop in Center;

$250,000 for Kent Youth and Family Services in Kent, Washington to build two new community centers;

$250,000 for the Port of Chelan in Wenatchee, Washington to complete the construction of a community technology center;

$750,000 for the City of East Palo Alto, California for redevelopment to Ravenswood Industrial Area;

$250,000 for the Washington State Office of Community Development for a planning and development resource center;

$250,000 for the YWCA of Milwaukee, Wisconsin for the rehabilitation of two central city properties;

$500,000 for the City of Inglewood, California for the construction of a senior center;

$500,000 for the City of Fresno, California for the redevelopment of the Roeding Business Park;

$250,000 for city of Burlington, Wisconsin for development of the Bel-Mur site;

$250,000 for the city of Beloit, Wisconsin for the renovation of abandoned Beloit Corporation land;

$250,000 for the City of Eau Claire, Wisconsin for downtown revitalization;

$225,000 for the Redevelopment Authority of Allegheny County, Pennsylvania for the redevelopment of the East Commerce Center, which will assist in the cost assessment, remediation and demolition of existing blighted buildings and tenant relocation costs;

$220,000 for the Sankofa Community Development Corporation in Baltimore, Maryland to renovate a building for a business center;

$200,000 for Lawson State Community College in Alabama for an information technology training and placement service center;

$200,000 for the City of Dermott, Arkansas for the Dermott City Community Nursing Home expansion;

$200,000 for the Seaford Historical Society in Seaford, Delaware for the renovation of a vacant property;

$200,000 for the Waianae Coast Comprehensive Health Center for construction of an expanded facility;

$200,000 for the City of Freeport, Illinois for a new library building;

$200,000 for the City of Shreveport, Louisiana for the redevelopment of a bus terminal;

$200,000 for Lewiston, Maine for the Franco-American Heritage Center;

$200,000 for Eastern Maine Technical College for a technical resource center;

$1,500,000 for Newport News, Virginia for the development of the Newport News Fine Arts Center;

$900,000 to the Vermont Housing and Conservation Board for infrastructure improvements and other costs related to the development of affordable housing on Depot Street in Burlington, Vermont;

$200,000 for the Forum Francophone Des Affaires, Maine to facilitate exports to French-speaking markets;

$200,000 for the University of Maine at Farmington for an education center;

$200,000 for Jackson, Mississippi for the development of the Farish Street Historic Center;

$200,000 for Nashua downtown public investment initiative, City of Nashua Community Development, Nashua, New Hampshire, to revitalize the downtown community;

$200,000 for The State University of New York at Potsdam for the Northern New York Data Center;

$1,000,000 for the City of Reno, Nevada for the rehabilitation of a building for a senior center;

$1,000,000 for the Show-Me Aquatic Center in Missouri for development;

$200,000 for the City of Albany, New York for the Palace Theatre Renovation project;

$200,000 for the Tri-County Community College in Murphy, North Carolina to build a TeleCenter;

$200,000 for the North Carolina Rural Economic Development Center in Eastern to provide housing construction and repair in rural communities;

$200,000 for the Rogers Regional Performing Arts Center Consortium in Shelby, North Carolina for the Rogers Theatre;

$200,000 for the Morton County Park District, North Dakota for the Missouri River Trail project;

$200,000 for Wasco County, Oregon for the development of a fiber optic system;

$200,000 for the City of Newberg, Oregon for the development of a Community and Family Resource Center;

$200,000 to the City of Philadelphia, Pennsylvania to support the Neighborhood Transformation Initiative, which will demolish abandoned homes as well as revitalize the Philadelphia region;

$200,000 to the City of Scranton, Pennsylvania for the revitalization of existing vacant and dilapidated buildings in the downtown area;

$200,000 for the Tides Family Services in Providence and Pawtucket, Rhode Island to acquire and renovate two buildings;

$200,000 for the Park-McCullough House in North Bennington, Vermont for preservation of property;

$200,000 for the Rural and Farmworker Housing Trust in Washington for farmworker housing;

$200,000 for the Squaxin Island tribe in Shelton, Washington for the Squaxin Island Museum, Library and Research Center;

$1,000,000 for the City of Detroit, Michigan to redevelop the Detroit River Promenade;

$1,000,000 for Alcorn State University, Mississippi for the construction and rehabilitation of buildings;

$200,000 for the Wenatchee Valley College Foundation in Wenatchee, Washington to complete construction of the Institute for Rural Innovation and Stewardship;

$175,000 for the Dorcas Place Adult and Family Learning Center in Providence, Rhode Island for facility expansion;

$175,000 for the International Institute of Rhode Island for the International Charter School to expand its facility;

$1,000,000 for the Denver Art Museum, in Denver, Colorado;

$200,000 for the Mohawk Valley Heritage Corridor Commission in Canajoharie, New York for the Heritage in Upstate New York project;

$1,000,000 for the City of Madison, Mississippi for downtown renovation;

$1,000,000 for Ebenezer Baptists Church in Atlanta, Georgia for the continued construction of a senior center;

$175,000 for the Abilene, Texas for the rehabilitation of the Matera Paper Building, including land acquisition;

$150,000 for Huntsville, Alabama for development of the Alabama Constitution Village Plaza;

$100,000 for the City of Opelousas, Louisiana, for downtown development;

$150,000 for Harford County, Maryland for the Edgewood Mobile Community Substation;

$150,000 for Assumption College, Worcester, Massachusetts for a science and technology center;

$150,000 for Universal Community Homes in Philadelphia, Pennsylvania, to continue the conversion of more than 500 parcels of land into for-sale units to low- and moderate-income families;

$1,000,000 for the Hubbard Museum of the American West in Ruidoso, New Mexico for expansion;

$1,000,000 for the Mesilla Valley Community of Hope, Las Cruces, New Mexico for the Casa de Peregrinos Building;

$150,000 to the Ogontz Avenue Revitalization Corporation in Philadelphia, Pennsylvania to assist with substantial rehabilitation of severely deteriorated vacant properties that will be developed as a part of the West Oak Lane community development rebuilding initiative;

$150,000 to the Philadelphia Martin Luther King Center for Nonviolence in Philadelphia, Pennsylvania for the College for Teens Program;

$150,000 for the City of Freeman, South Dakota for the construction of a community library;

$150,000 for the City of Canton, South Dakota for renovations for the conversion of the train depot for economic development;

$150,000 for the city of Racine, Wisconsin for neighborhood redevelopment.

$125,000 for the Nellie Byers Training Center in Bogalusa, Louisiana for the construction of a new center;

$125,000 for Strength Incorporated's Project Blanket in Pittsburgh, Pennsylvania for a drug and alcohol prevention program for juveniles in jail;

$3,000,000 for construction of the University of Louisville library in Louisville, Kentucky;

$125,000 to the National Trust for Historic Gettysburg for the restoration of the historic Majestic Theater in Gettysburg, Pennsylvania;

$125,000 to the Westmoreland County Industrial Development Corporation for initiation of the second phase of the Westmoreland Technology Park in Westmoreland County, Pennsylvania;

$125,000 to the Invest Erie Community Development Corporation for the acquisition and development of property in Erie, Pennsylvania to establish a Parade Street Plaza;

$100,000 for the City of Prattville, Alabama for the Boys and Girls Club of Prattville;

$100,000 for the Arcata House Inc., California for facility renovations;

$100,000 for Claremont downtown revitalization, City of Claremont, New Hampshire to assist the city in improving and redeveloping the downtown area;

$100,000 for Winchester economic revitalization, Town of Winchester, New Hampshire to assist the community in redeveloping its downtown area;

$100,000 for Hood River, Oregon for an Integrated Technology Center;

$100,000 for the Santo Community Center in Medford, Oregon;

$100,000 to the City of Philadelphia for the rehabilitation of the Royal Theater, which will serve as an anchor in the emerging African American Cultural and Entertainment District;

$100,000 to the Philadelphia Chinatown Development Corporation for the construction of a Chinatown Community Center in Philadelphia, Pennsylvania;

$100,000 for the West Warwick Police Department in Rhode Island to create a community center and park;

$100,000 for the Warwick Shelter Incorporated in Rhode Island to purchase a new facility;

$100,000 for the Providence Black Repertory Theatre in Rhode Island for renovations to an abandoned building;

$100,000 for Festival Ballet Providence, Rhode Island for educational programs and a new facility;

$100,000 to the Northeastern Vermont Development Association to support the Northeast Kingdom Enterprise Collaborative and the Northeast Kingdom REAP zone in promoting economic development throughout the region;

$825,000 for Fort Worth, Texas for the revitalization of the Fort Worth Polytechnic Heights Historic Commercial and Educational Center;

$3,000,000 for Wakpa Sica Historical Society in Fort Pierre, South Dakota for the Wakpa Sica Reconciliation Center;

$100,000 for the Elks Club of Pierce and Thurston Counties in Tacoma, Washington for the Toys for Disabled Youth Project;

$100,000 for the Washington State Rural Development Council for the Rural Community Assessment Project;

$100,000 for the Lummi Indian Nation for planning and development of the Semiahmah Memorial and Coast Salish Heritage Park;

$100,000 for the Burleigh Street CDC in Milwaukee, Wisconsin for a community and enterprise center;

$100,000 for the Genesis Foundation of Madison, Wisconsin for the South Madison Incubator;

$75,000 for Oakridge, Oregon for the development of the Oakridge Community Center;

$75,000 for Deschutes County, Oregon for the renovation of the Tower Theatre;

$75,000 to the Redevelopment Authority of Cumberland County for the conversion of the Molly Pitcher Hotel in Carlisle, Pennsylvania into apartments for senior citizens who require services to live independently;

$75,000 to the Philadelphia Commerce Department for the redevelopment of the former Schmidt's Brewery site in the Northern Liberties section of Philadelphia, Pennsylvania;

$50,000 for the Children's Therapy and Early Education School in Mexico, Missouri for Mexico Special Needs Kids equipment;

$50,000 for program and technology initiatives of the Oregon Historical Society;

$125,000 for the Community Empowerment Association's "Friend-2-Friend" Mentoring Program in Pittsburgh, Pennsylvania which will provide mentoring for at-risk youth aged 12 to 15.

The Committee includes $65,000,000 for the Youthbuild program, of which $10,000,000 is for new programs in underserved and rural areas and $2,000,000 is for capacity building by Youthbuild USA.

The Committee includes $22,000,000 for the Self Help Homeownership Opportunity Program.

The Committee includes $2,000,000 for the Girl Scouts of the USA for youth development initiatives in public housing.

The Committee includes $2,000,000 for the Boys and Girls Clubs of America for the operating and start-up costs of clubs located in or near, and primarily serving residents of, public and Indian housing.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

	Limitation on guarantee loans	Program costs
Appropriations, 2002	$608,696,000	$15,000,000
Budget estimate, 2003	275,000,000	6,325,000
Committee recommendation	608,696,000	15,000,000

PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and nonentitlement communities to cover the costs of acquiring real property, rehabilitation of publicly-owned real property, housing rehabilitation, and other economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $15,000,000 for program costs associated with the section 108 loan guarantee program. This amount is the same as the fiscal year 2002 enacted level and $7,715,000 more than the budget request. Of the funds provided, $14,000,000 is for credit subsidy costs to guarantee $608,696,000 in section 108 loan commitments in fiscal year 2003, and $1,000,000 is for administrative expenses to be transferred to the salaries and expenses account.

BROWNFIELDS REDEVELOPMENT

Appropriations, 2002	$25,000,000
Budget estimate, 2003	25,000,000
Committee recommendation	25,000,000

PROGRAM DESCRIPTION

Section 108(q) of the Housing and Community Development Act of 1974, as amended, authorizes the Brownfields Redevelopment program. This program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfields projects. Grants are made in accordance with Section 108(q) selection criteria. The program supports the cleanup and economic redevelopment of contaminated sites.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $25,000,000 for this program. This amount is the same as the fiscal year 2002 enacted level and the budget request. In order to allow greater flexibility, Brownfields funds are no longer required to be tied to section 108 development funding.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$1,846,040,000
Budget estimate, 2003	2,084,100,000
Committee recommendation	1,950,000,000

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 to low- and very low-income people. 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. 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 $1,950,000,000 for the HOME Investment Partnerships Program. This amount is $103,960,000 more than the fiscal year 2002 enacted level and $134,100,000 less than the budget request.

The Committee did not include any funds for the Administration's proposed American Dream Downpayment Fund. The Committee supports expanding homeownership opportunities, but remains concerned that this program constrains the ability of local communities to determine how best to use HOME funds. The Committee supports any efforts the Department may undertake to educate communities on how to use HOME funds to expand homeownership, and encourages the Department to use its technical assistance funds towards this end. The Committee also reminds HUD that technical assistance funds available under this heading should

be used to provide both Community Housing Development Organization (CHDO) and HOME technical assistance.

Of the amount provided for the HOME program, $40,000,000 is for housing counseling assistance. The Committee does not fund housing assistance counseling in a new account, as proposed by the administration. Funding for housing counseling assistance has been doubled from the fiscal year 2002 enacted level. The Committee views homeownership counseling, including pre- and post-purchase counseling, as an essential part of successful homeownership. The Committee expects that this program will remain available to those participating in all of HUD's homeownership programs. The Committee urges HUD to utilize this program as a means of educating homebuyers on the dangers of predatory lending, in addition to the administration's stated purpose of expanding homeownership opportunities.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$1,122,525,000
Budget estimate, 2003	1,129,500,000
Committee recommendation	1,215,025,000

PROGRAM DESCRIPTION

The "Homeless Assistance Grants Program" account funds 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 $1,215,025,000 for homeless assistance grants. The amount recommended is $92,500,000 more than the fiscal year 2002 appropriated level and $85,525,000 more than the budget request. Of the amount provided, $193,000,000 is to fund Shelter Plus Care renewals on an annual basis and $17,600,000 is for technical assistance and management information system.

The Committee also has provided funds for the Interagency Council on the Homeless through a new account established under title III of this bill.

The Committee continues to believe that HUD and local providers need to increase, over time, the supply of permanent supportive housing for chronically homeless, chronically ill people until the need is met at an estimated 150,000 units. Accordingly, the Committee again includes a requirement that a minimum of 30 percent of the funds appropriated under this account be allocated to permanent housing. To this end, the Committee urges the Department to use its technical assistance funds to increase the capacity of homeless assistance providers to finance, develop, and operate permanent supportive housing.

The Committee is concerned that the Department is not taking the proper steps to ensure that Shelter Plus Care units are targeted to chronically homeless individuals. The Committee recognizes that the goal of creating 150,000 units of permanent sup-

portive housing will not succeed in ending chronic homelessness if the Shelter Plus Care units are not properly targeted. The Committee directs the Department to report to the Committee by June 15, 2003 on how it is ensuring that Shelter Plus Care grants are made to providers serving chronically disabled, chronically homeless people.

The Committee remains supportive of the Department's ongoing work on data collection and analysis within the homeless programs. HUD should continue its collaborative efforts with local jurisdictions to collect an array of data on homelessness in order to analyze patterns of use of assistance, including how people enter and exit the homeless assistance system, and to assess the effectiveness of the homeless assistance system. The Committee directs HUD to take the lead in working with communities toward this end, and to analyze jurisdictional data within 1 year. The Committee directs HUD to report on the progress of this data collection and analysis effort by no later than May 12, 2003.

The Committee remains concerned about the out-year costs of renewing permanent housing programs. Therefore, the Committee directs the Department to include 5-year projections, on an annual basis, for the cost of renewing the permanent housing component of the Supportive Housing Program and Shelter Plus Care grants in its fiscal year 2004 budget justifications. This legislation includes a new provision requiring HUD to include individual line requests for all housing assistance renewal requirements, including the amounts needed for expiring Supportive Housing Program and Shelter Plus Care grants.

EMERGENCY FOOD AND SHELTER PROGRAM

Appropriations, 2002	.....
Budget estimate, 2003	$153,000,000
Committee recommendation	.....

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 funded by the Federal Emergency Management Agency (FEMA) and 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 are restricted by legislation from spending more than 3.5 percent of the funding received for administrative costs.

COMMITTEE RECOMMENDATION

The Committee does not include the Administration's proposal to transfer the Emergency Food and Shelter Program from FEMA to HUD. The Emergency Food and Shelter Program is successfully administered at FEMA, and the Committee does not concur that there is a compelling reason to disrupt the program by transferring

it. The Committee has provided funding for this program within FEMA.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$1,024,151,000
Budget estimate, 2003	1,024,151,000
Committee recommendation	1,033,801,000

PROGRAM DESCRIPTION

This account consolidates the housing for the elderly under section 202 and housing for the disabled under section 811. Under these programs, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing. Up to 25 percent of the funding provided for housing for the disabled may be made available for tenant-based assistance under section 8.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,033,801,000 for development of additional new subsidized housing. Included in this recommendation is $783,286,000 for capital advances for housing for the elderly (section 202 housing) and $250,515,000 for capital advances for housing for the disabled (section 811 housing). This is $9,650,000 more than the budget request for fiscal year 2002. This represents an increase of $9,650,000 for section 202 above fiscal year 2002 level, including recaptures, and an increase of $9,650,000 for section 811 over the fiscal year 2002 level. Up to 25 percent of the funding allocated for housing for the disabled can be used to fund tenant-based rental assistance for the disabled.

The section 202 funds include up to $50,000,000 for the conversion of section 202 housing to assisted living facilities, and up to $53,000,000 for service coordinators.

The Committee is concerned about the growing costs of renewal contracts within the elderly and disabled housing programs. This legislation includes a new provision requiring HUD to include individual line requests for all housing assistance renewal requirements, including the amounts needed for expiring elderly and disabled housing contracts.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

The Housing and Urban Development Act of 1968 authorized HUD to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects are deposited. Subject to approval in appropriations acts, the Secretary is authorized under the Housing and Community Development Amendment of 1978 to transfer excess rent col-

lections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund.

COMMITTEE RECOMMENDATION

The Committee recommends that the account continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Although these resources will not be used for new reservations, they will continue to offset Flexible Subsidy outlays and other discretionary expenditures.

RENTAL HOUSING ASSISTANCE

PROGRAM DESCRIPTION

The section 236 Rental Housing Assistance Program is authorized by the Housing and Urban Development Act of 1968, as amended. The section 236 program subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants. Title V of the 1998 Appropriations Act established a program of rehabilitation grants for owners of eligible projects.

COMMITTEE RECOMMENDATION

The Committee has included a provision that directs HUD to make $100,000,000 from contract authority in excess of required payments for fiscal year 2003 available for the capital costs of rehabilitation for projects eligible under section 236(s) of the National Housing Act. The Committee believes that these funds should be dedicated to the rehabilitation of HUD assisted housing, including housing for elderly and disabled people.

MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2002	$13,566,000
Budget request, 2002	13,000,000
Committee recommendation	13,000,000

PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the Act.

COMMITTEE RECOMMENDATION

The Committee recommends $13,000,000 to support the manufactured housing standards programs to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. The amount recommended is the same as the budget request and $556,000 less than the fiscal year 2002 enacted level.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses
Appropriations, 2002	$250,000,000	$160,000,000,000	$336,700,000
Budget estimate, 2003	50,000,000	160,000,000,000	347,829,000
Committee recommendation	250,000,000	160,000,000,000	347,829,000

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

	Limitation on direct loans	Limitation on guaranteed loans	Administrative expenses	Program costs
Appropriations, 2002	$50,000,000	$21,000,000,000	$216,100,000	$15,000,000
Budget estimate, 2003	50,000,000	21,000,000,000	223,716,400	15,000,000
Committee recommendation	50,000,000	21,000,000,000	223,716,400	15,000,000

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 appropriations made in the FHA program accounts to the HUD "Salaries and expenses" accounts. Additionally, funds are also appropriated for administrative contract expenses for FHA activities.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the "Mutual Mortgage Insurance Program" account: a limitation on guaranteed loans of $160,000,000,000, a limitation on direct loans of $250,000,000, and an appropriation of $347,829,000 for administrative expenses. For the GI/SRI account, the Committee recommends $21,000,000,000 as a limitation on guaranteed loans, a limitation on direct loans of $50,000,000, and $223,716,400 for administrative expenses. The administrative expenses appropriation will be transferred and merged with the sums in the Department's "Salaries and expenses" account and the "Office of the Inspector General" account.

In addition, the Committee directs HUD to continue direct loan programs in 2003 for multifamily bridge loans and single family

purchase money mortgages to finance the sale of certain properties owned by the Department. Temporary financing shall 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 will enable governmental and nonprofit intermediaries to acquire properties for resale to owner-occupants in areas undergoing revitalization.

The Committee included the "Credit Watch Act of 2001" in the fiscal year 2002 enacted bill in order to ensure that HUD could maintain its Federal Housing Administration (FHA) lender oversight program. The Committee notes that FHA continues to be a significant engine of homeownership for low income, minority, and first time homebuyers. However, in some cases and in certain neighborhoods, FHA has been misused to underwrite bad loans that lead to defaults and foreclosed homes, contributing to neighborhood decline and destabilization. Defaulted FHA properties sit vacant for 242 days, on average, before they are sold. Because the FHA does not then rehabilitate these properties, they cause blight in neighborhoods. Faulty appraisals have contributed significantly to this problem. The Committee notes that HUD cancelled its appraisal oversight program and has yet to implement its proposed alternative, which is based on the Credit Watch model.

Credit Watch is an excellent tool for uncovering unscrupulous or careless lenders after they have originated bad loans. By eliminating fraudulent or unqualified lenders, the Committee and the Department hope to reduce the number of foreclosed properties in the future. However, the Committee notes that the Credit Watch model is only effective after problem loans default.

The Committee directs the Department to report to the appropriate Congressional Committees on further actions that can be taken to protect homebuyers and communities in census tracts that experience high rates of FHA defaults and foreclosures. Specifically, the Committee directs the Department to consider making FHA lenders responsible for the appraisals on loans in these census tracts. The Department should also consider: requiring first time homebuyers to receive counseling prior to the closing of an FHA loan; requiring home inspections on FHA-insured homes bought by first time homebuyers; and, requiring the use of specially certified FHA appraisers for the purchase of homes. In considering these and other possible options, the Committee urges the Department to avoid proposals that create additional burdens for the FHA program or FHA homebuyers as a whole.

Finally, the Committee has heard from numerous parties in areas affected by large numbers of FHA foreclosures and property flipping that certain investors are repeatedly involved in buying FHA foreclosed properties, making superficial repairs, and then reselling, or flipping them quickly at inflated prices. In some instances the unscrupulous investor that caused a borrower to default is then allowed to purchase the same property, post-foreclosure. The Committee asks the Department to explore strategies to identify investors who are involved in such schemes and prevent their purchasing FHA properties.

While the Committee recognizes that the Department continues to help ameliorate the problems created by FHA property flipping,

the Department must become more aggressive in adopting the kind of preventive measures discussed here. The Department is directed to submit a report that responds directly to the issues raised by the Committee by January 3, 2003.

The Committee is concerned about the effect that the accelerated claims disposition demonstration will have in low-income, distressed communities. The Department has been unable to demonstrate how this program—in which HUD bundles delinquent loans and partners with a private bank to mitigate, or foreclose on, delinquent loans—could benefit very low-income communities, especially those where predatory lending has disproportionately occurred. The Committee is concerned that, in those communities, foreclosures will occur more frequently than they do under the current system, contributing to the deterioration of those communities. The Committee directs HUD to implement a system by which revitalization areas can be exempted from the accelerated claims disposition process should they choose to be.

The Committee remains concerned that HUD has failed to calculate adequately the amount of credit subsidy necessary to support its multifamily mortgage insurance programs. The Committee expects HUD to institute a computer program that accurately identifies the risk of default and financial risk to the insurance fund, including the ability to mark to market each day. The Committee further directs HUD to issue any premium changes through notice and comment rule making, as required by law.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002:	
Limitation on guaranteed loans	$200,000,000,000
Administrative expenses	9,383,000
Budget estimate, 2003:	
Limitation on guaranteed loans	200,000,000,000
Administrative expenses	10,343,000
Committee recommendation:	
Limitation on guaranteed loans	200,000,000,000
Administrative expenses	10,343,000

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 $10,343,000 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 $200,000,000,000. This amount is the same level as proposed by the budget request. The Committee also has included $10,343,000 for administrative expenses, the same as the budget request and an increase of $960,000 above the fiscal year 2002 enacted level.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 2002	$50,250,000
Budget estimate, 2003	47,000,000
Committee recommendation	47,000,000

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, evaluation, 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 seek 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 $47,000,000 for research and technology activities in fiscal year 2003. This amount is $3,250,000 below the fiscal year 2002 enacted level and the same as the budget request. Of this funding, $8,750,000 is for the Partnership for Advancing Technologies in Housing (PATH) program. The Committee expects the PATH program to continue its cold climate housing research with the Cold Climate Housing Research Center in Fairbanks, Alaska. In addition, because in the past 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.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 2002	$45,899,000
Budget estimate, 2003	45,899,000
Committee recommendation	45,899,000

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 $45,899,000, of which $25,649,000 is for the fair housing assistance program [FHAP] and no more than $20,250,000 is for the fair housing initiatives program [FHIP].

The Committee emphasizes 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 increase their understanding, expertise, and implementation of the law.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriations, 2002	$109,758,000
Budget estimate, 2003	126,000,000
Committee recommendation	201,000,000

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act under which HUD is authorized to make grants to States, localities and native American tribes to conduct lead-based paint hazard reduction and abatement activities in private low-income

housing. This has become a significant health hazard, especially for children. According to the Centers for Disease Control and Prevention [CDC], some 890,000 children have elevated blood levels, down from 1.7 million in the late 1980s. Despite this improvement, lead poisoning remains a serious childhood environmental condition, with some 4.4 percent of all children aged 1 to 5 years having elevated blood lead levels. This percentage is much higher for low-income children living in older housing.

COMMITTEE RECOMMENDATION

The Committee recommends $201,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2003. This amount is $75,000,000 more than the budget request and $91,242,000 more than the fiscal year 2002 enacted level. Of this amount, HUD may use up to $10,000,000 for the Healthy Homes Initiative under which HUD conducts a number of activities designed to identify and address housing-related illnesses. The Committee supports the research being conducted by the National Foundation for Environmental Education on black mold, and encourages the Department to use funds provided for the Healthy Homes Initiative to fund this type of research.

The Committee recommends $75,000,000 to establish a new lead hazard reduction demonstration program focused on major urban areas where children are disproportionately at risk for lead poisoning. For more than a dozen years, the Committee has taken an active interest in ending the highest public health threat to children under the age of 6 in the United States—lead poisoning from lead-based paint. Through a combination of initiatives, the Committee's efforts have resulted in dramatic reductions to lead hazards in low-income public housing.

Unfortunately, the progress has not been as great in privately-owned housing, particularly in unsubsidized low-income units. For that reason, approximately 1 million children under the age of 6 in the United States suffer from lead poisoning. While lead poisoning crosses all socioeconomic, geographic, and racial boundaries, the burden of this disease falls disproportionately on low-income and minority families. In the United States, children from poor families are eight times more likely to be poisoned than those from higher income families.

The urban lead hazard reduction program is designed to target funding to major urban areas where the lead hazard risk for low-income children under the age of 6 is greatest. Qualified applicants are the 25 major urban areas identified by the Secretary as having: (1) the highest number of pre-1940 units of rental housing; (2) significant deterioration of paint and; (3) a disproportionately high number of documented cases of lead-poisoned children. At least 80 percent of funds must be used for abatement and interim control of lead-based paint hazards. Further, the program targets abatement to units that serve low-income families. In order to ensure that occupants of all units in multi-family housing developments are adequately protected by lead hazard reduction activities, grantees are permitted to treat all residential units in structures with 5 or more units, a majority of which are occupied by low-income families, as though they were occupied entirely by low-income peo-

ple. As a condition of assistance, each major urban area shall submit a detailed plan for use of funds that demonstrates sufficient capcity acceptable to the Secretary of Housing and Urban Development. The plans should identify units with the most significant risk, and should include strategies to reduce the risk of lead hazards and to mobilize public and private resources.

The Committee does not intend for any language contained in this bill about the urban lead hazard reduction program to prejudice any ongoing or future litigation brought against lead pigment manufacturers. Additionally, nothing in this language is intended to mitigate the responsibility of housing owners to address the existence of lead-based paint hazards in a timely and expeditious manner.

The Committee has made this program subject to authorization by the proper committees.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

[In thousands of dollars]

	Appropriation	FHA funds by transfer	GNMA funds by transfer	CGDB funds by transfer	Title VI transfer	Indian housing	Native Hawaiian loan guarantee fund	Total
Appropriations, 2002	556,067	530,457	9,383	1,000	150	200	35	1,097,292
Budget estimate, 2003	510,299	548,202	10,343	1,000	150	200	35	1,070,229
Committee recommendation	510,299	548,202	10,343	1,000	150	200	35	1,070,229

PROGRAM DESCRIPTION

The "Salaries and expenses" account finances 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 administrative support in areas such as accounting, personnel management, contracting and procurement, and office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $1,070,229,000 for salaries and expenses. This amount is $27,063,000 less than the fiscal year 2002 enacted level and the same as the budget request. The appropriation includes the requested amount of $548,202,000 transferred from various funds from the Federal Housing Administration, $10,343,000 transferred from the Government National Mortgage Association, $1,000,000 from the community development block grant funds, $150,000 from title VI, $200,000 from the Native American Housing Block Grant, and $35,000 from the Native Hawaiian Housing Program.

In addition, the Department is prohibited from employing more than 77 schedule C and 20 noncareer senior executive service employees. The Committee understands that the Department is staffed largely by personnel who are close to retirement and at the top of the civil service pay schedule. The Committee encourages HUD to implement hiring practices that result in the hiring of young professionals who can gain experience and advancement.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

	Appropriation	FHA funds by transfer	Drug elimination grants transfer	Total
Appropriations, 2002	$66,555,000	$22,343,000	$5,000	$93,898,000
Budget estimate, 2003	74,341,000	23,343,000	.....	97,684,000
Committee recommendation	74,341,000	23,343,000	.....	97,684,000

PROGRAM DESCRIPTION

This appropriation will 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 $97,684,000 for the Office of Inspector General (OIG). This amount is $3,786,000 above the fiscal year 2002 enacted level and the same as the budget request. This funding level includes $23,343,000 by transfer from various FHA funds. The Committee commends OIG for its commitment and its efforts in reducing waste, fraud and abuse in HUD programs. The Committee directs that of the funds provided, $10,000,000 is to be targeted to anti-predatory lending and anti-flipping activities.

WORKING CAPITAL FUND

Appropriations, 2002	.....
Budget estimate, 2003	$276,737,000
Committee recommendation	276,737,000

PROGRAM DESCRIPTION

The working capital fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives on a centralized basis.

COMMITTEE RECOMMENDATION

The Committee recommends $276,737,000 for the working capital fund for fiscal year 2003. In 2001 and 2002 the fund was financed from fees charged for services performed. Fees will continue for services to develop and modify systems where the benefit is limited to a specific program.

CONSOLIDATED FEE FUND

(RESCISSION)

Appropriations, 2002	−$6,700,000
Budget estimate, 2003	−8,000,000
Committee recommendation	−8,000,000

PROGRAM DESCRIPTION

Section 7(j) of the Department of Housing and Urban Development Act establishes fees and charges from selected programs which are deposited in a fund to offset the costs of audits, inspections, and other related expenses that may be incurred by the Department in monitoring these programs. These fees were misclassified for many years as deposit funds, and are now re-classified as on-budget Federal funds.

COMMITTEE RECOMMENDATION

The Committee recommends a rescission of all unobligated balances from the fee fund, as requested by the Administration.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$27,000,000
Budget estimate, 2003	30,000,000
Committee recommendation	30,000,000

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 cap-

ital standard for the GSE's, and gave the regulator enhanced authority to enforce those standards.

COMMITTEE RECOMMENDATION

The Committee recommends $30,000,000 for the Office of Federal Housing Enterprise Oversight, which is the same as the budget request and $3,000,000 more than the fiscal year 2002 enacted level.

ADMINISTRATIVE PROVISIONS

The Committee recommends 20 administrative provisions. A brief description follows.

SEC. 201. *Financing Adjustment Factor.* Promotes the refinancing of bonds.

SEC. 202. *Fair Housing and Free Speech.* Provides free speech protections.

SEC. 203. *HOPWA.* Technical correction for allocations.

SEC. 204. *HOPWA Technical.* Extends provision requiring HUD to allocate funds directly to Wake County, North Carolina.

SEC. 205. *Assisted Living Project Waiver.* Extends the authority to waive the 40 percent rent ceiling under section 8 for certain projects.

SEC. 206. *HUD Reform Act Compliance.* Requires HUD to award funds on a competitive basis.

SEC. 207. *Section 811 Housing.* Includes Section 811 housing as eligible housing in the definition of "federally assisted housing".

SEC. 208. *Public Housing Financing.* Facilitates the financing of rehabilitation and development of public housing.

SEC. 209. *Payments to Public Housing Units.* Prohibits assistance for housing units defined under section 9(n) of the United States Housing Act of 1937.

SEC. 210. *Administrative Funds Reimbursement.* Allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

SEC. 211. *Restrictions on Spending Activities.* Limits spending to amounts set out in the budget justification.

SEC. 212. *Government Corporation Control Act.* Clarifies expenditure authority for entities subject to the Government Corporation Control Act.

SEC. 213. *Repeal of Federalization of Public Housing Units.* Amends federalization provisions.

SEC. 214. *Multifamily Disposition.* Requires HUD to maintain section 8 assistance on properties occupied by elderly or disabled families.

SEC. 215. *Welfare-to-Work Vouchers.* Amends the welfare-to-work housing voucher program.

SEC. 216. *Downpayment Simplification.* Extends the applicability of down payment provisions.

SEC. 217. *Exemption from requirement of resident on board of PHA.* Exempts Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2003. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

SEC. 218. *Renewal Requirements.* Requires HUD to include the specific funds needed to renew expiring housing assistance grants in future budgets.

SEC. 219. *Sunset of HOPE VI Program.* Sunsets the HOPE VI program on September 30, 2003.

SEC. 220. *Section 8 Prohibition on Funds.* Prohibits HUD from waiving income eligibility on section 8 housing. Applies to instances in which a refinancing of the project occurs.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriations, 2002	$35,466,000
Budget estimate, 2003	30,400,000
Committee recommendation	30,400,000

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 where they have served 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 memorial cemeteries and 31 monuments, memorials, markers, and offices in 15 countries around the world, including three large memorials on U.S. soil. It is presently charged with erecting a World War II Memorial in the Washington, DC, area.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $30,400,000 for the American Battle Monuments Commission, which is $5,066,000 below the fiscal year 2002 enacted level.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriations, 2002	$7,850,000
Budget estimate, 2003	7,850,000
Committee recommendation	7,850,000

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 the budget request of $7,850,000 for the Chemical Safety and Hazard Investigation Board, equal to the fiscal year 2002 enacted level.

The Committee believes that the Chemical Safety and Hazard Investigation Board serves the very important mission of promoting the prevention of accidents at chemical plants. The Committee is deeply concerned that the Board's management deficiencies, as identified in a March 2002, FEMA IG report, have done a disservice to the Board's main constituency—the workers in our Nation's chemical plants.

The Committee recognizes that the Board has accepted the FEMA IG's recommendations to rectify these unacceptable deficiencies, and has taken positive steps to implement the recommendations. The Committee continues to support the FEMA IG's ongoing review of the Board's activities.

The Committee has included bill language authorizing the Inspector General of FEMA to act as the Inspector General of the Chemical Safety Board. Funds have been included to accomplish this requirement in the FEMA OIG appropriation.

Not later than March 1, 2002, and each year thereafter, the Chief Operating Officer of the Board shall prepare a financial statement for the preceding fiscal year, covering all accounts and associated activities of the Board. Each financial statement of the Board will be prepared according to the form and content of the financial statements prescribed by the Office of Management and Budget for executive agencies required to prepare financial statements under the Chief Financial Officers Act of 1990, as amended by the Government Management Reform Act of 1994. Each financial statement prepared under 31 USC 3515 by the Board shall be audited according to applicable generally accepted government auditing standards by the Inspector General of the Board or an independent external auditor, as determined by the Inspector General. The IG shall submit to the Chief Operating Officer of the Board a report on the audit not later than June 30 following the fiscal year for which a statement was prepared.

The Committee has again 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, 2002	$80,000,000
Budget estimate, 2003	68,000,000
Committee recommendation	73,000,000

PROGRAM DESCRIPTION FOR CDFI FUND

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions (CDFIs), through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business and community development within underserved communities. The CDFI Fund ad-

ministers the Bank Enterprise Award (BEA) Program, which provides a financial incentive to insured depository institutions to undertake community development finance activities. The CDFI Find also administers the New Markets Tax Credit Program, a newly created program that will provide an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends $73,000,000 for the CDFI Fund, which is $7,000,000 below the fiscal year 2002 level and $5,000,000 above the administration's request.

The Committee also recommends a set-aside of $5,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities. This amount is an increase of $5,000,000 above the budget request and the same as the fiscal year 2002 enacted level. The Committee is concerned that the CDFI Fund has not released all funds appropriated in fiscal years 2001 and 2002 for this purpose. The Committee has included this set-aside in fiscal year 2003 because the Native American, Alaskan Natives, and Native Hawaiian communities have been historically underserved by CDFIs.

The Department of the Treasury's November 2001 Native American Lending Study confirmed the inadequacy of capital investment in Indian communities and found that the investment gap between Native American economies and the United States overall totals $44,000,000,000. The Committee directs the Fund to submit a 5-year strategic plan to the Committee that outlines its efforts to improve the economic needs of Native Americans. This report is due to the Committee by February 17, 2003.

The Committee remains concerned over the CDFI Fund's lack of data on its programs' outputs and outcomes. The Committee has difficulty making funding decisions for the Fund without an accurate accounting of the activities that the Fund has contributed to in low-income communities. The Committee recognizes that this has been a long-standing problem with the CDFI Fund, and urges the Administration to improve its monitoring systems. This is especially important now that the CDFI Fund will have administrative responsibilities for the New Markets Tax Credit Program.

INTERAGENCY COUNCIL ON THE HOMELESS

OPERATING EXPENSES

Appropriations, 2002	$500,000
Budget estimate, 2003	1,000,000
Committee recommendation	1,500,000

PROGRAM DESCRIPTION

The Interagency Council on the Homeless is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to

review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State and local government as well as local volunteer organizations. The Council consists of the heads of 18 Federal agencies such as the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends $1,500,000 for the Interagency Council on the Homeless (ICH), $500,000 more than the budget request and $1,000,000 more than the fiscal year 2002 enacted level. These funds are for carrying out the functions authorized under section 203 of the McKinney-Vento Homeless Assistance Act.

The Council was previously funded under the HUD Homeless assistance grants account. The Committee has created a separate account for the Council to reflect better the law's intent that it operate and function as an independent agency. The Committee, however, expects HUD to continue providing administrative support for the Council as mandated under section 204(d) of the McKinney-Vento Homeless Assistance Act.

The Committee expects the primary activity of the ICH to be the development of a comprehensive Federal approach to end homelessness. In order for the ICH to be successful in this endeavor relevant Federal departments and agencies should defer to the ICH on policy and funding proposals that affect homelessness. The Committee understands that homelessness is affected by factors that cut across Federal agencies, including housing costs, job readiness, education, substance abuse and mental health. The Committee believes it is important to have an independent ICH in order to assess how the multitude of Federal programs have contributed to the rise in homelessness, and how they can contribute to ending homelessness.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2002	$55,200,000
Budget estimate, 2003	56,767,000
Committee recommendation	56,767,000

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 un-

reasonable 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 $56,767,000 for the Consumer Product Safety Commission, equal to the budget request and an increase of $1,567,000 above the fiscal year 2002 enacted level.

The Committee does not recommend the administration's request for an exemption of CPSC's litigation travel from the travel ceiling imposed by General Provision 401 of this Act. Instead, the Committee will continue to consider CPSC's increased travel requirements through regular reprogramming requests.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$401,980,000
Budget estimate, 2003	631,342,000
Committee recommendation	515,342,000

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- and part-time national and community service programs. National service participants may receive education 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. Board members and the Chief Executive Officer are appointed by the President of the United States and confirmed by the Senate.

COMMITTEE RECOMMENDATION

The Committee recommends $515,342,000 for the Corporation for National and Community Service, $114,362,000 above the fiscal year 2002 enacted level and $116,000,000 below the budget request.

The Committee recommends the following changes to the budget request:

−$112,925,000 for AmeriCorps Grants, National Direct and State Funds, for a total of $290,342,000. This amount is $49,850,000 above the fiscal year 2002 enacted level. The Committee expects the distribution of this funding to be consistent with the National and Community Service Act, and notes that the authorizing Committee of jurisdiction is currently in the process of reauthorizing the Corporation's programs.

Within the amount provided, the Committee directs the Corporation to continue at the least the current level of support for programs designed to help teach children to read by the third grade ($100,000,000), and for activities dedicated to developing computer and information technology skills for students and teachers in low-income communities ($25,000,000). The Committee directs the Corporation to provide specifics in its fiscal year 2003 operating plan detailing how the Corporation will fulfill these directives.

The Committee is aware that the Corporation has recently added a new criterion in its AmeriCorps application process that takes into account the leveraging of unpaid volunteers. The Committee supports this new criterion and encourages the Chief Executive Officer to focus heavily on an applicant's ability to leverage and mobilize unpaid volunteers when awarding grants under the National and Community Service Act.

In order to ensure that as many qualified grant applicants as possible have the opportunity to access Corporation resources, the Committee supports efforts to reduce grantee reliance on Federal funding, and expects that some grantees should eventually be able to operate without Federal funding. The Inspector General recently reviewed the Corporation's National Direct Grant Application Review Process and recommended that the Corporation establish a means of clearly measuring a grantee's reliance on Federal funding and consider developing a performance goal for reducing grantees' reliance on Federal funds. Accordingly, the Committee directs the Corporation to provide a report by January 21, 2003, that details its efforts to measure a grantee's reliance on Federal funding and to reduce grantee reliance on Federal funds both in terms of total Corporation resources provided to grantees, and as a percentage of grantee operating costs. Further, the Committee directs the Corporation to provide quarterly reports with the initial report due on January 21, 2003 that lists every grantee that receives a minimum of $500,000 from the Corporation. These quarterly reports should include the name of the grantee, the amount of Corporation funds it has received, the Corporation program source of funding, the amount of private sector funds it has received, and sources of other Federal or public funding.

The Committee is encouraged by the Corporation's goal to improve the accountability of its grantees. Accordingly, the Committee directs the Corporation to establish, in consultation with grantees receiving assistance under all parts of the National and Community Service Act, performance measures for each grantee. The Corporation shall require any grantee that does not achieve the established levels of performance on the measures, as determined by the Corporation, to submit to the Corporation for ap-

proval a plan of correction. If the grantee fails to achieve the established levels of performance, the Committee directs the Corporation to either reduce some portion or terminate the entire amount of assistance provided to the grantee consistent with established due process requirements.

The Committee does not recommend the request to transfer the Education Award and Promise Fellows programs from Innovation Activities to AmeriCorps grants. The Committee supports the Administration's efforts to integrate AmeriCorps activities. However, the request to transfer the program would require legislative language to exempt grantee organizations from AmeriCorps administration cost, matching requirements, and participant benefit requirements. The Committee notes that these requirements have never been part of the Education Award or Promise Fellows programs, but the Committee believes that any necessary exemptions should be addressed in the context of reauthorization of the Corporation's programs.

+$32,500,000 for innovation, demonstration, and assistance activities, for a total of $68,000,000. Within the amount provided, the Committee recommends $10,000,000 for demonstration programs, an increase of $5,000,000 above the request. The Committee directs that the Corporation use this increase to provide seed funding to start-up organizations to foster the "next generation" of National Direct organizations. Also within the amount provided, the Committee recommends $33,000,000 for Challenge Grants, an increase of $23,000,000 above the request. The Committee intends for these grants to be administered in a manner that allows eligibility of: (1) AmeriCorps organizations; (2) non-profit organizations that may not otherwise qualify for AmeriCorps funding because they do not use AmeriCorps volunteers; and (3) non-profit organizations that are not direct service organizations. The Committee also intends for Challenge Grants to require a match of $1 in private funding for every $1 in Challenge Grant funding. The Committee directs the Corporation to notify the Committee at least 5 business days in advance of making any Challenge Grant award. Finally, the Committee's recommendation for AmeriCorps grants includes sufficient funding for the Corporation to continue the Education Award and Promise Fellows programs within this amount.

−$7,500,000 for America's Promise. The Committee intends for America's Promise to be eligible to compete for Challenge Grant funding.

−$10,000,000 for the National Civilian Community Corps, for a total program level of $25,000,000 in fiscal year 2003. This amount is equal to the fiscal year 2002 enacted level. The Committee does not recommend funding for two additional NCCC campuses. The Committee emphasizes that it has taken this action without prejudice to a future expansion of the program, and directs the Corporation to provide a report by January 31, 2003, with a comprehensive, strategic expansion plan. The plan should include dates and milestones for establishing new campuses, including cost estimates.

+$4,000,000 for Learn and Serve America, for a total program level of $47,000,000. This amount is $4,000,000 above the fiscal year 2002 enacted level. The Committee notes that funding for school-based and community-based service-learning programs has

been level for many years, and therefore provides a modest funding increase to expand opportunities to make service an integral part of the education and life experiences of young people.

–$2,075,000 for program administration/State commissions, for a total of $33,000,000 to provide support for an oversight of the Corporation's programs and projects. This amount is $2,000,000 above the fiscal year 2002 enacted level. The Committee intends $20,000,000 for program administration, including staffing, compensation, and operating expenses, and $13,000,000 as support for Governor-appointed State Commissions on National and Community Service. The Committee notes that State Commissions are required to provide a 50 percent match of this funding.

The Committee commends the Corporation for the significant improvements it has made in management and financial accounting and for its second consecutive "clean" opinion on its financial statements audit. Nevertheless, the Committee remains concerned about the Corporation's remaining reportable condition related to grants management. Many grantees fail to provide accurate and timely information on grant expenditures and in some cases, the Inspector General has identified significant questionable costs. The Committee commends the Corporation's progress in ensuring that its new grants management and cost accounting system is fully operational by no later than the fall of 2002. The Committee also supports the recommendations from a recent PriceWaterhouseCoopers (PWC) report, especially the recommendation that the new cost accounting system is able to calculate cost per grant or cost per grant dollar so that improvements in administrative cost management can be monitored.

–$20,000,000 for the National Service Trust, for a total of $37,000,000 to support service awards, interest forbearance, and President's Student Service Scholarship payments. This reduction reflects the Committee's recommendation not to fund the Senior Service Initiative, which is a proposed new activity to allow senior volunteers to transfer their education awards to a child or grandchild. Instead, the Committee recommends that this proposal be considered in the context of reauthorization of the Corporation's programs. The Committee did not appropriate funding into the Trust in fiscal year 2002 as it was determined that sufficient funds were available from previous years to cover all estimated awards for fiscal year 2002. The Committee directs the Corporation to provide quarterly activity reports to the Committee and the Inspector General on the expenditure of awards under the National Service Trust Fund. The initial report should be submitted by January 22, 2003.

The Committee's recommendation for the Trust includes up to $5,000,000 to support an estimated 8,000 President's Student Service Scholarship awards. This program provides $1,000 scholarships to high school juniors and seniors who have performed outstanding service to their communities during their high school years. The Corporation provides one-half of the scholarship, and local funding from schools, businesses, nonprofit organizations, or civic groups provides the other half.

The Committee also recommends the budget request of $5,000,000 for audits and evaluations, and $10,000,000 for the

Points of Light Foundation. The Committee suppoprts the Corporation's efforts to track the performance of its programs and measure outcomes.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$5,000,000
Budget estimate, 2003	5,000,000
Committee recommendation	6,000,000

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 $6,000,000 for the Office of Inspector General (OIG). This amount is $1,000,000 above the budget request and the 2002 level. The Committee has recommended a significant increase in funding for the Corporation's National and Community Service Act activities. The Committee also recommends an increase for the Office of Inspector General in order to maintain oversight of the Corporation's significantly increased activities.

ADMINISTRATIVE PROVISIONS

The Committee recommends bill language to ensure that loans made, insured, or guaranteed by State agencies are considered to be qualified student loans for the purpose of making AmeriCorps education awards. A modified version of this provision has been carried in prior year appropriations acts.

The Committee also recommends new bill language to allow disability placement funds, which are primarily used to pay for reasonable accommodations and other efforts to make AmeriCorps programs accessible to persons with disabilities, available to any AmeriCorps program funded under subtitle C.

U.S. Court of Appeals for Veterans Claims

SALARIES AND EXPENSES

Appropriations, 2002	$13,221,000
Budget estimate, 2003	14,326,000
Committee recommendation	14,612,000

PROGRAM DESCRIPTION

The Court of Appeals for Veterans Claims was established by the Veterans' Judicial Review Act. The court is an independent judicial tribunal with 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 unconstitutional or otherwise 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 the budget request of $14,612,000 for the Court of Appeals for Veterans claims, an increase of $1,105,000 above the fiscal year 2002 enacted level.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

Appropriations, 2002	$22,537,000
Budget estimate, 2003	24,445,000
Committee recommendation	24,445,000

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, 2001, Arlington and Soldiers' and Airmen's Home National Cemeteries contained the remains of 289,494 persons and comprised a total of approximately 628 acres. There were 3,727 interments and 2,212 inurnments in fiscal year 2001; 3,800 interments and 2,500 inurnments are estimated for the current fiscal year; and 3,925 interments and 2,700 inurnments are estimated for fiscal year 2003.

COMMITTEE RECOMMENDATION

The Committee recommends the budget request of $24,445,000 for the Army's cemeterial expenses. This amount is $1,908,000 above the fiscal year 2002 enacted level.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Appropriations, 2002	$80,728,000
Budget estimate, 2003	[1] 74,471,000
Committee recommendation	76,074,000

[1] Does not include $1,603,000 proposed transfer from the National Cancer Institute.

PROGRAM DESCRIPTION

The National Institute of Environmental Health Sciences, an agency within the National Institutes of Health, was authorized in section 311(a) of the Comprehensive Environmental Response,

Compensation, and Liability Act of 1980, as amended, to conduct multidisciplinary research and training activities associated with the Nation's Hazardous Substance Superfund program, and in section 126(g) of the Superfund Amendments and Reauthorizations Act of 1986, to conduct training and education of workers who are or may be engaged in activities related to hazardous waste removal or containment or emergency response.

COMMITTEE RECOMMENDATION

The Committee recommends $76,074,000 for the National Institute of Environmental Health Sciences, which is $4,654,000 below the fiscal year 2002 enacted level. The recommendation includes $27,137,520 for worker training grants and $48,936,480 for research.

AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY

TOXIC SUBSTANCES AND ENVIRONMENTAL PUBLIC HEALTH

Appropriations, 2002	$78,235,000
Budget estimate, 2003	77,388,000
Committee recommendation	81,000,000

PROGRAM DESCRIPTION

The Agency for Toxic Substances and Disease Registry (ATSDR), an agency of the Public Health Service, was created in section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The ATSDR's primary mission is to conduct surveys and screening programs to determine relationships between exposure to toxic substances and illness. Other activities include the maintenance and annual update of a list of hazardous substances most commonly found at Superfund sites, the preparation of toxicological profiles on each such hazardous substance, consultations on health issues relating to exposure to hazardous or toxic substances, and the development and implementation of certain research activities related to ATSDR's mission.

COMMITTEE RECOMMENDATION

The Committee recommends $81,000,000 for the Agency for Toxic Substances and Disease Registry, which is $3,612,000 above the budget request and $2,765,000 above the fiscal year 2002 enacted level.

Within the amount provided, the Committee directs ATSDR to continue at least the current level of support for the Great Lakes Fish Consumption Study. Additionally, the Committee directs ATSDR to establish a fish consumption advisory pilot program in Michigan based on the information included in the Agency's December 2001 feasibility report.

Also within the amount provided, the Committee directs ATSDR to implement a multi-faceted health study of polychlorinated biphenyl (PCB) exposure in Anniston, Alabama. The study should be undertaken in consultation with community residents and in cooperation with the Alabama Department of Public Health.

The Committee also directs that within the amount provided, ATSDR monitor and assess the long-term health status of children,

adolescents and young adults in Herculaneum, Missouri regarding their potential exposure to lead.

ENVIRONMENTAL PROTECTION AGENCY

Appropriations, 2002	[1] $8,078,813,000
Budget estimate, 2003	7,620,513,000
Committee recommendation	8,299,141,000

[1] Includes $175,600,000 in fiscal year 2002 supplemental funding.

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 of 1990 authorize a national program of air pollution research, regulation, prevention, and enforcement activities.

Water quality.—The Federal Water Pollution Control Act, as amended, 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 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 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 amend-

ments 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 and the Federal Food, Drug, and Cosmetic Act 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 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 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. 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 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 $8,299,141,000 for EPA. This is an increase of $678,628,000 above the budget request and an increase of $220,328,000 above the fiscal year 2002 enacted level.

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 notification is required at

$500,000; 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

Appropriations, 2002	[1] $788,397,000
Budget estimate, 2003	670,008,000
Committee recommendation	710,008,000

[1] Includes $90,308,000 in fiscal year 2002 supplemental funding.

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. In addition, Hazardous Substance Superfund Trust Fund resources are transferred to this account directly from the Hazardous Substance Superfund.

COMMITTEE RECOMMENDATION

The Committee recommends $710,008,000 for science and technology, $40,000,000 above the budget request and $78,389,000 below the enacted level including supplemental funding. In addition, the Committee recommends the transfer of $86,168,000 from the Superfund account, for a total of $796,176,000 for science and technology.

The Committee recommends the following changes to the budget request:

+$9,750,000 for the STAR Fellowships Program. The budget request proposed to transfer this program to the National Science Foundation.

−$9,750,000 for the National Environmental Technology Competition. The Committee supports the Agency's efforts to foster private and public sector development of new, cost-effective environmental technologies, and has instead recommended full funding of the budget request of two existing Agency programs designed to achieve this objective—the Small Business Innovation Research (SBIR) Program, whereby 2.5 percent of all extramural research funding is set-aside for work with small businesses, and the Environmental Technology Verification (ETV) Program ($3,618,000). The Committee urges EPA to develop a "one stop shop" office to coordinate these programs to ensure the greatest impact without duplication or overlap, and directs the Agency to report to the Committee by March 3, 2003, detailing such efforts.

+$10,000,000 for small system arsenic removal research, for a total of $20,000,000 in fiscal year 2003. The Committee strongly encourages EPA to utilize a significant portion of this funding to carry out demonstrations of implementation of low-cost treatment

technology, and directs the Agency to report to the Committee by March 3, 2003, on its plans to carry out such demonstrations.

+$700,000 for the Center for the Conservation of Biological Resources at Black Hills State University, South Dakota.

+$750,000 for Clean Air Counts of Northeastern Illinois to develop an innovative and cost effective method to reduce smog-causing emissions in the Chicago metropolitan region. The funding will provide support for an ongoing partnership involving EPA, the Metropolitan Mayors Caucus, Illinois EPA, and the Delta Institute.

+$800,000 for the Contra Costa Water District, California, for applied research studies related to the water quality and water treatment challenges facing Bay Delta water users.

+$800,000 for Lake Superior State University for education and research on aquatic biota and their associated habitats.

+$750,000 for the Louisiana Environmental Research Center at McNeese State University for research into wetland ecology and the environmental effects of oil spills.

+$300,000 for the Foundation for the Advancement of Science and Education's pesticides recording project.

+$750,000 for the Southwest Clean Air Quality Agency's Columbia Gorge Air Quality Technical Foundation Study.

+$500,000 for the Center for the Study of Metals in the Environment.

+$1,200,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.

+$100,000 for the University of Vermont's Proctor Maple Research Center to continue mercury deposition monitoring effects.

+$350,000 for acid rain research at the University of Vermont.

+$500,000 for the City of Glendale, California for research and development of technology for the removal of Chromium 6 from water.

+$750,000 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.

+$500,000 for the Consortium for Plant Biotechnology Research

+$1,000,000 for the National Environmental Respiratory Center at the Lovelace Respiratory Research Institute.

+$3,900,000 for the Mine Waste Technology Program at the National Environmental Waste Technology, Testing, and Evaluation Center.

+$1,500,000 for the Connecticut River Airshed-Watershed Consortium.

+$3,600,000 for the Water Environment Research Foundation.

+$3,600,000 for the American Water Works Association Research Foundation.

+$700,000 for the Mid-America Regional Council to apply urban agroforestry technologies to meet community green infrastructure needs.

+$1,000,000 for the Center for Estuarine Research at the University of South Alabama.

+$1,000,000 for the Alabama Department of Environmental Management for the Alabama Water and Wastewater Training Program.

+$1,000,000 for the Environmental Lung Center at the National Jewish Medical and Research Center.

+$2,000,000 for air quality program for Fairbanks North Star Borough, Alaska.

Drinking Water Security.—The Committee supports the budget request of $20,000,000 in fiscal year 2003 to address the security of our Nation's drinking water system. The Committee notes these funds, in addition to the approximately $140,000,000 provided by the Committee in previous and pending supplemental appropriations acts, will result in the Committee's having recommended a total of $160,000,000 for drinking water security efforts. The Committee directs that by March 31, 2003, the Agency provide a full accounting of how these funds have been or will be expended. Additionally, within the funds provided, the Committee strongly encourages EPA to support water infrastructure research and development activities as well as security vulnerability assessments. The Committee is also aware of efforts to develop a Water Information Security Analysis Center (ISAC), and strongly encourages EPA to provide support for the implementation of this system to provide a secure communications network linking law enforcement and local drinking water systems.

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

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriations, 2002	[1] $2,093,511,000
Budget estimate, 2003	2,047,703,800
Committee recommendation	2,140,469,000

[1] Includes $39,000,000 in fiscal year 2002 supplemental funding.

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; enforcement and compliance assurance; and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact. It provides personnel compensation, benefits, and travel and other administrative expenses for all agency programs except hazardous substance Superfund, LUST, Science and Technology, Oil Spill Response, and OIG.

COMMITTEE RECOMMENDATION

The Committee recommends $2,140,469,000 for environmental programs and management, an increase of $92,765,200 above the budget request and $46,958,000 above the fiscal year 2002 enacted level.

The Committee recommends the following changes to the budget request:

+$20,100,000 to fully fund enforcement FTEs at no less than the 2001 level, consistent with the 2001 operating plan. The Committee

does not recommend the Administration's request to reduce funding for Federal enforcement of environmental laws to instead fund a new State enforcement grant program.

+$9,160,000 for Environmental Education, equal to the 2002 level. The budget request proposed to eliminate this program.

+$2,000,000 for Environmental Justice, for a total of $6,079,000. This amount is $1,915,000 above the 2002 program level.

+$5,275,000 for the National Estuary Program, for a total of $24,521,000. This amount is equal to the 2002 program level.

+$5,200,000 for the Energy Star program, for a total program level of $55,000,000. This amount is $6,400,000 above the 2002 level.

−$8,969,000 for regulatory development, for a total program level of $27,412,000, equal to the 2002 level.

+$5,000,000 for America's Clean Water Foundation for implementation of on-farm environmental assessments for livestock operations.

+$2,000,000 for Chesapeake Bay small watershed grants. The Committee expects that the funds provided for this program, managed by the Fish and Wildlife Foundation, shall be used for community-based projects including those that design and implement on-the-ground and in-the-water environmental restoration or protection activities to help meet Chesapeake Bay Program goals and objectives. This increase will result in a total of $22,651,000 available in fiscal year 2003 for the Chesapeake Bay Program, which is $1,383,600 above the fiscal year 2002 program level.

+$2,320,000 for the Lake Champlain Basin Program, for a total program level of $3,275,000. This amount is $775,000 above the 2002 program level.

+$2,000,000 for the Lake Pontchartrain Basin Restoration Program. The Committee directs the Administrator to give priority consideration to the proposals of the Lake Pontchartrain Basin Foundation.

+$2,523,000 for the Long Island Sound Program, for a total program level of $3,000,000. This amount is $500,000 above the 2002 program level.

+$250,000 for the Maryland Bureau of Mines for an acid mine drainage remediation project.

+$1,000,000 for projects demonstrating the benefits of Low Impact Development along the Anacostia Watershed in Prince Georges County, Maryland.

+$500,000 for the University of Arkansas to develop bio-environmental engineering solutions to watershed management.

+$50,000 for the Northwest Straits Commission.

+$700,000 for the Northwest Indian Fisheries Commission with distribution as follows: $160,000 to the Northwest Indian Fisheries Commission for coordination and $540,000 to be divided among the 26 participating tribes to implement this tribal initiative by integrating state, Federal, tribal and local governmental efforts to develop common water quality protection goals and reduce jurisdictional barriers.

+$200,000 for the Columbia Basin Groundwater Area Management Study.

+$500,000 for the Gateway Cities Council of Governments, California, pilot program to reduce diesel emissions.

+$750,000 for Columbus Water Works, Georgia, biosolids thermophilic treatment technology demonstration.

+$250,000 for the Illinois Department of Agriculture's Council on Best Management Practices initiative to reduce nitrate contamination in drinking water.

+$250,000 for the CropLife Foundation North Carolina environmental stewardship project.

+$500,000 for the Central California ozone study.

+$500,000 for the Center for Agricultural and Rural Development at Iowa State University for the Resource and Agricultural Policy Systems program.

+$500,000 for the Small Business Pollution Prevention Center at the University of Northern Iowa.

+$750,000 for the painting and coating assistance initiative through the University of Northern Iowa.

+$100,000 for the American Farmland Trust Center for Agriculture in the Environment for sustainable agriculture in Hawaii and the American Pacific.

+$500,000 for the Economic Development Alliance of Hawaii promote biotechnology to reduce pesticide use in tropical and subtropical agricultural production

+$250,000 for the County of Hawaii and the Hawaii Island Economic Development Board to establish and implement a community development model for renewable resource management by upgrading solid waste transfer stations into community recycling centers.

+$250,000 for a storm water research initiative at the University of Vermont.

+$200,000 for the Vermont small business compliance assistance project conducted by the Vermont Small Business Assistance Center.

+$500,000 for Boston Metropolitan Area Planning Council (MAPC) and the Massachusetts Technology Collaborative (MTC) to develop regional solutions for managing and protecting water resources.

+$160,000 for the Great Lakes Fish and Wildlife Commission Crandon Mine analysis.

+$500,000 for the Sand County Foundation in Wisconsin for an incentive program to promote the reduction of nitrogen discharge in the Upper Mississippi River Basin.

+$250,000 for Livingston Parish, Louisiana, for a water and wastewater infrastructure feasibility study.

+$250,000 for the Vermont Department of Agriculture to work with conservation districts and local communities to reduce nonpoint source run-off in the Potash Brook watershed.

+$500,000 for the Lohontan Regional Water Quality Control Board in Nevada for the Board, working with California water officials and the State of Nevada, to address Lake Tahoe water quality issues.

+$50,000 for the Tioga County Department of Economic Development and Planning, New York, for the Owego infrastructure master plan.

+$200,000 for design, engineering, and planning activities related to the pollution prevention of Wreck Pond and nearby beaches in Spring Lake, New Jersey.

+$150,000 for the New Jersey EnvironMentors project.

+$350,000 for planning and engineering studies for the Storm Lake, Iowa, cleanup project.

+$250,000 for a study to address the characterization and remediation of ash sites in Jacksonville, Florida.

+$16,000,000 for rural water training and technical assistance activities and source water protection initiatives with distribution as follows: $9,000,000 for the National Rural Water Association, $3,500,000 for the Rural Community Assistance Program, $750,000 for the Ground Water Protection Council, $750,000 for the Water Systems Council to assist in the effective delivery of water to rural citizens nationwide, and $2,000,000 for the source water protection program.

+$1,372,000 for the Great Lakes National Program Office, for a total program level of $16,500,000. This amount is $1,570,000 above the 2002 program level.

+$200,000 for the Northeast Waste Management Officials Association to continue solid waste, hazardous waste, cleanup, and pollution prevention programs.

+$200,000 for the Northeast States for Coordinated Air Use Management (NESCAUM).

+$2,500,000 for the National Alternative Fuels Training Consortium.

+$1,500,000 for the Ecological and Water Resources Assessment Project.

+$500,000 for the Valley Water Mill Watershed Education and Demonstration Center.

+$175,000 for the Hypoxia Education and Stewardship Project.

+$200,000 for the Sutherlin, Oregon Water Control District's Watershed Assessment Project.

+$500,000 for the Kenai river Center in Kenai, Alaska.

+$2,000,000 for Region 10 environmental compliance activities in Alaska.

+$2,000,000 for the Coeur d'Alene Basin Commission to continue a pilot program for environmental response, natural resource restoration and related activities.

+$1,500,000 for ORSANCO for the Ohio River Pollution Reduction Program.

+$500,000 for the University of Southern Maine for environmental education activities.

+$1,500,000 for the University of Louisville for the Stream Restoration Institute.

+$2,500,000 for the Southwest Center for Environmental Research and Policy.

+$4,000,000 for the Small Public Water System Technology Centers at Western Kentucky University, the University of New Hampshire, the University of Alaska-Sitka, Pennsylvania State University, the University of Missouri-Columbia, Montana State University, the University of Illinois, and Mississippi State University.

+$1,000,000 to complete the full feasibility study/environmental impact statement for the Medford, Oregon, effluent reuse project.

Brownfields.—The Committee supports the request of $29,500,000 for Brownfields administrative costs, and has included bill language, as requested by the administration, to specify that funds in this account are available for these purposes. The Committee notes that this amount, coupled with the $170,500,000 provided in the State and Tribal Assistance Grants accounts, makes $200,000,000 available in fiscal year 2003 for implementation of the Small Business Liability Relief and Brownfields Revitalization Act of 2002.

Enforcement.—The Committee is deeply concerned that the Agency's implementation of fiscal year 2002 enforcement funding has been inconsistent with the Committee's direction. Specifically, the fiscal year 2002 VA–HUD conference report rejected proposed cuts to enforcement, and directed the Agency to restore enforcement funding in a manner consistent with the fiscal year 2001 operating plan. Instead, the Agency has redirected 30 civil enforcement FTE to the criminal enforcement program. The Agency asserts that the conference directive occurred prior to management's understanding of the full scope and role of the EPA's participation in criminal enforcement efforts associated with homeland security. The Committee recognizes and appreciates the vital investigative expertise of EPA's criminal enforcement program—that is why the Committee also provided an additional $6,000,000 in fiscal year 2002 supplemental funds to assist the Agency's increased response to terrorism in the area of criminal investigations. Instead, the Agency has planned to spend this funding on other homeland security related priorities that the Committee did not intend to fund. The Committee maintains that any increase in criminal enforcement activities necessary should be funded through these additional supplemental funds, not at the expense of other important enforcement functions. Therefore, the Committee directs the Agency to halt the redirection of enforcement positions from civil to criminal activities, to restore civil enforcement funding to not less than the 2001 level, and to report to the Committee no later than October 3, 2002, on how the Agency has accomplished this directive. Additionally, the Committee is concerned about the vacancy rate in the Office of Enforcement and Compliance (OECA), where over 100 FTE positions are unfilled. The Committee directs the Agency to report by October 3, 2002, with an aggressive plan to fill and retain these vacancies.

Chromated copper arsenate (CCA).—The Committee continues to be concerned about whether there are significant health and safety risks related to CCA-treated consumer products, including playground equipment, decks, picnic tables, walkways/boardwalks, landscaping timers and fences. In a February 2002 report required by the Committee, EPA informed the Committee that the Agency is currently conducting a risk assessment of CCA-treated consumer products. The Committee directs the Agency to accelerate the schedule for this risk assessment and to complete it by December 31, 2002. The Committee expects this assessment to include concrete findings and conclusions about whether there are significant health and safety risks of CCA-treated wood products. The Committee also expects the assessment to include recommendations on ways to mitigate potential risks, and the Agency's plans to conduct

public education to ensure that consumers, local governments, and school systems are aware of potential risks and ways to mitigate them.

Food Quality Protection Act.—The Committee directs EPA to submit to Congress by December 31, 2002, a resource plan detailing the number of pesticide tolerance re-assessments and re-registrations required under FQPA, the number and kind of such activities completed since 1996, the status of the remaining activities, including the projected number to be completed year-by-year under FQPA, and the level of resources needed to meet these deadlines. In estimating resources, EPA should indicate the number of FTEs or contracted activities that would be required for these activities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$34,019,000
Budget estimate, 2003	35,325,000
Committee recommendation	35,325,000

PROGRAM DESCRIPTION

The Office of Inspector General (OIG) provides audit, evaluation, and investigation products and advisory services to improve the performance and integrity of EPA programs and operations.

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

COMMITTEE RECOMMENDATION

The Committee recommends $35,325,000 for the Office of Inspector General, the same as the budget request and $1,306,000 above the fiscal year 2002 level. In addition, $12,742,000 will be available by transfer from the Superfund account, for a total of $48,067,000. The trust fund resources will be transferred to the inspector general "General fund" account with an expenditure transfer.

BUILDINGS AND FACILITIES

Appropriations, 2002	$25,318,000
Budget estimate, 2003	42,918,000
Committee recommendation	42,918,000

PROGRAM DESCRIPTION

The appropriation for buildings and facilities at EPA covers the necessary maintenance, and 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 $42,918,000 for buildings and facilities, $17,600,000 above the fiscal year 2002 level and the same as the budget request.

The Committee notes that with this appropriation, the Committee has provided a total of $49,000,000 account-wide in fiscal years 2002 and 2003 for EPA to better secure its offices and laboratory facilities. The Committee directs that by March 31, 2002, the

Agency supply an accounting of how these funds have provided a safer working environment for its employees. This report should include a description of activities undertaken at each office or facility.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2002	[1] $1,311,292,000
Budget estimate, 2003	1,272,888,000
Committee recommendation	1,272,888,000

[1] Includes $41,292,000 in fiscal year 2002 supplemental funding.

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. Due to the site-specific nature of the Agency's Superfund program, site-specific travel is not considered part of the overall travel ceiling set for the Superfund account.

COMMITTEE RECOMMENDATION

The Committee recommends $1,272,888,000 for Superfund, equal to the budget request and $38,404,000 below the fiscal year 2002 enacted level including supplemental funding. The amount provided includes equal amounts of $636,444,000 from general revenues.

The Committee recommends the following changes to the budget request:

+$25,000,000 for response, for a total response level of $856,900,000.

−$25,000,000 for building decontamination research. The Committee commends EPA for its leadership role in anthrax decontamination of the Capitol complex, and supports the Agency's increased efforts in developing new technologies to decontaminate buildings from future releases of chemical and biological substances. However, the Committee is concerned that the budget proposed to fund this initiative at the expense of core Superfund cleanup activities. The Committee notes that this reduction will result in a total of $50,000,000 for EPA's building decontamination research initiative for fiscal year 2003.

The Committee does not recommend the past practice of delaying the availability of Superfund resources until later in the year.

LEAKING UNDERGROUND STORAGE TANK TRUST FUND

Appropriations, 2002	$73,000,000
Budget estimate, 2003	72,313,000
Committee recommendation	72,313,000

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 the budget request of $72,313,000 for the Leaking Underground Storage Tank Trust Fund, a decrease of $687,000 below the fiscal year 2002 enacted level. The Committee directs that not less than 85 percent of these funds be provided to the States and tribal governments.

OIL SPILL RESPONSE

Appropriations, 2002	$15,000,000
Budget estimate, 2003	15,581,000
Committee recommendation	15,581,000

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 to prepare for and prevent releases of oil and other petroleum products in navigable waterways. Also EPA is reimbursed for incident specific response costs through the Oil Spill Liability Trust Fund managed by the United States Coast Guard. EPA is responsible for: directing all cleanup and removal activities posing a threat to public health and the environment; conducting site 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 for this appropriation are provided through the Oil-spill Liability Trust Fund which is composed of fees and collections made through provisions of the Oil Pollution Act of 1990, the Comprehensive Oil Pollution Liability and Compensation Act, the Deepwater Port Act of 1974, the Outer Continental Shelf Lands Act Amendments of 1978, and the Federal Water Pollution Control Act

as amended. Pursuant to law, the Trust Fund is managed by the United States Coast Guard.

COMMITTEE RECOMMENDATION

The Committee recommends $15,581,000 for the oil spill response trust fund, $581,000 above the fiscal year 2002 enacted and the level budget request.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriations, 2002	[1] $3,738,276,000
Budget estimate, 2003	3,463,776,000
Committee recommendation	4,009,639,000

[1] Includes $5,000,000 in fiscal year 2002 supplemental funding.

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.

Included in this account are funds for the following infrastructure grant programs: Clean Water and Drinking Water State Revolving Funds; United States-Mexico Border Program; Alaska Native villages; and Brownfield assessment and revitalization grants.

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, regional, 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 compliance; (15) Indians general assistance grants; (16) underground storage tanks; (17) enforcement and compliance assurance; (18) BEACHS Protection grants (sec. 406 of FWPCA as amended); and (19) PWSS State Counter-terrorism Coordinator grants; (20) Brownfields cleanup grants; (21) targeted watershed grants; and (22) pesticides enforcement. As with the case in past fiscal years, no reprogramming requests associated with States and Tribes applying for Performance Partnership Grants need to be submitted to the Committee for approval should such grants exceed the normal reprogramming limitations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,009,639,000 for State and tribal assistance grants, an increase of $545,863,000 over the budget request and an increase of $271,363,000 above the fiscal year 2002 enacted level.

The Committee recommends the following changes to the budget request:

+$238,000,000 for the Clean Water State Revolving Loan Fund, for a total of $1,450,000,000. This amount is $100,000,000 above the 2002 level.

+$25,000,000 for the Drinking Water State Revolving Loan Fund, for a total of $875,000,000. This amount is $25,000,000 above the 2002 level.

+$3,459,900 for Section 103 and 105 State and Local Assistance grants, for a total of $225,000,000.

+$12,100,000 for the Section 106 State Pollution Control Grant Program, which includes support for State Total Maximum Daily Load programs, for a total program level of $192,477,000. This amount is equal to the 2002 level.

+5,000,000 for Alaska Native Villages, for a total of $45,000,000.

+$3,000,000 for remediation of above ground leaking fuel tanks in Alaska as authorized by Public Law 106–554.

−$15,000,000 for State Multimedia Enforcement Grants. Instead, the Committee has recommended increased funding for Federal enforcement activities in the Environmental Programs and Management account.

−$25,000,000 for Information Exchange Network grants. The Committee supports the Agency's efforts to build an internet-based system that will enable environmental information exchanges among States, tribes, localities, the regulated community, the public and the Agency. In fiscal year 2002, the Committee provided $25,000,000 for these grants, which the Committee understands will be awarded late in fiscal year 2002 and should be sufficient to cover State needs for fiscal year 2003. Instead, the Committee has provided only the requested $20,157,000 in EPM for the Agency's component of the information integration project.

−$8,000,000 for Homestake Mine.

+$140,000,000 for special needs infrastructure grants. This amount, together with an additional $2,241,450 previously made available in fiscal year 2002, is to be allocated in the following manner:

$885,000 for Washoe County, Nevada for the Spanish Valley Nitrate Remediation Pilot Program;$875,000 for the Orleans Parish Sewer and Water Board, New Orleans, Louisiana, for an inflow and infiltration project;

$875,000 for East Baton Rouge Parish, Louisiana, for water and wastewater infrastructure improvements;

$770,000 for the Mason County Public Utility District, Washington to construct a wastewater and collection facility in Hoodsport, Washington;

$750,000 for the Village of Pomeroy, Ohio for the construction of an iron and manganese removal water treatment plant;

$875,000 for the City of Lake Charles, Louisiana, for wastewater treatment plant improvements;

$2,000,000 for South and North Valley of Albuquerque and Bernalillo County, New Mexico, for water and wastewater treatment;

$2,000,000 for San Antonio, Texas for water and sewer improvements;

$2,000,000 for Flowood, Mississippi for the Hogg Creek Interceptor System;

$1,850,000 for the City of Cynthiana, Kentucky for the Cynthiana Water Treatment Plant;

$1,800,000 for the Palmer, Alaska for a water main;

$1,700,000 to Kansas City, Missouri for the water component of the Beacon Hill Redevelopment Plan;

$875,000 for Jefferson Parish, Louisiana, for sewer infrastructure improvements;

$750,000 for the Village of Belmont, Ohio for the construction of a wastewater treatment plant and collection system;

$750,000 for the County of Nassau, New York for water quality infrastructure improvements at Nassau County Park facilities;

$750,000 for the City of Van Wert, Ohio for the expansion of the reservoir;

$750,000 for the City of Huntington Beach, California for the Alabama Storm Drain project;

$750,000 for the City of Compton, California, for a water well replacement project;

$750,000 for the City of Centerville, South Dakota, for drinking water infrastructure improvements;

$575,000 for the Alabama Rural Utilities Authority for remedial on-site and collective wastewater treatment systems in Lowndes County, Alabama;

$550,000 for the State of Hawaii Health Department, for cesspool system replacement;

$550,000 for the City of Hood River, Oregon, drinking water infrastructure improvements;

$500,000 to Dudley, Missouri for the City Water Expansion Project;

$500,000 for Wrangell, Alaska for sewer expansion;

$1,000,000 for the Town of Bridgeville, Delaware, for wastewater treatment plant improvements;

$1,000,000 for the Sisseton-Wahpeton Sioux Tribe in Agency Village, South Dakota, for the expansion of the Brown Marshall Day Water System;

$1,000,000 for the Mount Pleasant Waterworks Commission, South Carolina, for the Snowden Community Wastewater Collection Project;

$1,000,000 for the Fairbanks City, Alaska sewer and storm drain connection;

$1,000,000 for the Coolin Sewer District in Idaho for a wastewater facility upgrade project;

$500,000 for Vinalhaven, Maine for its sewer system;

$500,000 for Vigo County, Indiana for the Sugar Creek Township Sanitary Sewer Project;

$500,000 for the Village of Port Byron, Illinois for drinking water improvements;

$500,000 for the Township of Vernon, New Jersey, for wastewater improvement;

$500,000 for the Town of Robbins, North Carolina, for water treatment plant improvements;

$500,000 for the Town of Coventry, Rhode Island, for drinking water infrastructure improvements;

$500,000 for the Northeast Public Sewer District, Missouri for the Old Highway 141 Collection System;

$1,000,000 for the City of Akron, Ohio for sewer infrastructure improvements;

$1,000,000 for Meridian, Mississippi for wastewater improvements;

$1,000,000 for Jackson, Mississippi for water infrastructure improvements;

$1,000,000 for Great Falls, Montana for the upper and lower river road;

$1,000,000 for Fayette, Mississippi for Jefferson County water and sewer improvements project;

$500,000 for the Kodiak, Alaska for water and sewer upgrades;

$500,000 for the Holland Regional Water System in Effingham, Illinois for a water treatment facility to improve regional drinking water;

$500,000 for the Glaize Creek Public Sewer District, Missouri for the Barnhart Subdivisions Project;

$500,000 for the Fairfax County Water Authority for infrastructure enhancements;

$500,000 for the City of Wilmington, Illinois to develop a new wastewater facility;

$500,000 for the City of Whittier, California, for water and sewer infrastructure improvements;

$500,000 for the City of West Liberty, Iowa, for wastewater treatment improvements;

$500,000 for the City of Shelton, Washington for design and construction of the Shelton Area Regional Water and Sewer Project;

$500,000 for the City of Sacramento, California, for Combined Sewer System Improvement and Rehabilitation Project;

$500,000 for the City of Pevely, Missouri, for wastewater treatment plant improvements;

$500,000 for the City of Omaha, Nebraska, for sewer separation construction;

$500,000 for the City of Moline, Illinois for drinking water improvements;

$500,000 for the City of Middletown, New York for the City of Middletown Filtration Plant;

$500,000 for the City of Huron, South Dakota, for drinking water infrastructure improvements;

$500,000 for the City of Georgetown, Illinois for drinking water improvements;

$500,000 for the City of Gallup, New Mexico, for wastewater treatment plant improvements and upgrades;

$500,000 for the City of Galena, Illinois to expand and improve wastewater facilities;

$500,000 for the City of Flint, Michigan to upgrade the Pierson Road water main system;

$500,000 for the City of Fayetteville, Arkansas for regional wastewater system improvements;

$500,000 for the City of Eureka, California, for the Martin Slough Interceptor project;

$500,000 for the City of Alexandria, Virginia for wastewater treatment facility upgrades;

$500,000 for the City and County of Honolulu, Hawaii, for wastewater treatment technologies;

$500,000 for Sumiton, Alabama for the Sumiton Sanitary Sewer System;

$500,000 for Saco, Maine for its sewer system; $500,000 for Latimer, Kansas for a pipeline project;

$500,000 for Lake County, California, for the Clear Lake Basin 2000 project;

$500,000 for Box Elder, South Dakota, for water and wastewater system improvements;

$500,000 for Berry, Alabama for the construction of a new sanitary wastewater lagoon system;

$500,000 for Augusta, Maine for its sewer system;

$500,000 for a water supply project in Guin, Alabama;

$450,000 to Bolivar, Missouri for the Bolivar Industrial Park Sewer and Water System;

$450,000 for Talladega, Alabama for county water supply facilities upgrades and construction;

$400,000 for the City of Deadwood, South Dakota, for a drinking water extension project;

$400,000 for Mountain Village, Colorado for water infrastructure investment;

$4,000,000 for Baltimore City, Maryland, for sewer infrastructure improvements;

$350,000 to Warrenton, Missouri for the Warrenton Industrial Park Lift Station;

$350,000 for the Community of Dakota Dunes, South Dakota, for a drinking water infrastructure connection project;

$325,000 for the Town of Notasulga, Alabama for the Notasulga Wastewater System;

$300,000 for Tillamook, Oregon for infrastructure;

$300,000 for the Albany-Millersburg Joint Water Project in Oregon;

$300,000 for Muscle Shoals, Alabama for a wastewater project;

$300,000 for Mountain Village, Colorado for remediation of above-ground storage tanks;

$250,000 to Warrensburg, Missouri for the water component of the Warrensburg Downtown Revitalization Project;

$250,000 for the Wahkiakum County Public Utility District, Washington for the Puget Island Drinking Water Project;

$250,000 for the United Water Conservation District of Ventura County, California, for the Oxnard Plain Groundwater Recharge Project;

$250,000 for the Metropolitan Wastewater Management Commission, Eugene and Springfield, Oregon, drinking and wastewater improvements;

$250,000 for the Community Water System Public Water Authority of Arkansas in Lonoke and White Counties for the Green Ferry drinking water project;

$250,000 for the City of St. George, Utah for water and sewer line extensions;

$250,000 for the City of South Salt Lake, Utah for water infrastructure improvements;

$250,000 for the City of Filer, Idaho for a new drinking water system;

$250,000 for Park City, Utah for the Judge Tunnel Water Treatment Facility;

$200,000 for Eva, Alabama for a sewer system project;

$2,500,000 for the Narragansett Bay Commission in Providence and other Bay communities in Rhode Island for sewer infrastructure improvements;

$2,500,000 for the City of Mason City, Iowa, for the Municipal Water System Radium Removal Project;

$2,500,000 for Monticello, Utah for a primary water supply pipeline;

$2,000,000 to Joplin, Missouri for the Crossroads Relief Sewer #2 and Sewer Extension Project;

$2,000,000 for the Three Rivers Wet Weather Demonstration Program, Allegheny County, Pennsylvania to fund several innovative demonstration projects in municipalities in the greater Pittsburgh area to plan, design, and construct projects to eliminate separate sewer overflows;

$2,000,000 for the Maryland Department of Environment for Woodland Village sewer and water improvements;

$2,000,000 for the City of Park River, North Dakota for the Park River Water System Improvements;

$2,000,000 for the City of Milwaukee, Wisconsin for the Central Metropolitan Interceptor Improvement Project;

$2,000,000 for the City of Atlanta, Georgia for the Nancy Creek sewer infrastructure improvement project;

$1,700,000 for the Chittenden Water District, Vermont, for wastewater system improvements;

$1,700,000 for Rico, Colorado for a wastewater treatment plant;

$1,650,000 for the Town of Klickitat, Washington, to construct a new wastewater water treatment facility;

$1,600,000 for Brownsville District Sewer Development, Colorado for water and wastewater investments;

$1,500,000 to Monett, Missouri for the Monett Sewer Treatment Plant Upgrade;

$1,500,000 for the Town of Warren, Vermont, for wastewater treatment facility upgrades;

$1,500,000 for the City of Safford, Arizona for wastewater treatment plant construction;

$1,500,000 for the City of Norman, Oklahoma for wastewater system improvements;

$1,500,000 for the City of Lead, South Dakota, for water and wastewater system improvements;

$1,500,000 for the City of Franklin, Tennessee for water quality improvements;

$1,500,000 for the City of Conrad, Montana for a wastewater and drinking water project;

$1,500,000 for the City of Belgrade, Montana, for wastewater treatment;

$1,500,000 for the Camden County Municipal Authority, New Jersey, for sewer infrastructure improvements;

$1,500,000 for Nacogdoches, Texas for the development of a water and sewer drainage system;

$1,500,000 for Missoula, Montana for the Mullan Road Corridor Project;

$1,300,000 for the Town of Richmond, Vermont, for wastewater treatment facility upgrades;

$1,250,000 for South Florida Water Management District Tri-County (Palm Beach, Martin and St. Lucie Counties) Biosolids Project;

$1,250,000 for Eastern Orange and Seminole Counties, Florida, for the Regional Reuse Project;

$1,200,000 for the Anchorage Water and Wastewater Utility for the development of a water and sewer facility in Anchorage, Alaska;

$1,100,000 for the City of Fallon, Nevada, for construction of an arsenic treatment facility;

$1,000,000 to the Eastern Snyder County Regional Authority in Pennsylvania to upgrade its wastewater treatment plant, including replacing equipment, improving the treatment system, and installing new technology for nutrient removal, in order to improve the water quality of the Chesapeake Bay;

$700,000 for Virgin Valley Water District, Mesquite, Nevada, for construction of an arsenic treatment facility;

$1,000,000 for Upper Allen Township, Cumberland County, Pennsylvania to increase sewer treatment capacity by repairing inflow and infiltration problems in older sections of the collection system, divert sewage to a treatment plant, and install new sanitary sewer collection system extensions to replace malfunctioning on-lot disposal systems;

$1,000,000 for the Wasilla, Alaska for water and sewer improvements;

$1,000,000 for the Town of Harrington, Delaware, for wastewater treatment plant improvements;

$1,000,000 for the Connecticut River Clean-Up Coalition in West Springfield, Massachusetts, for combined sewer overflow improvements;

$1,000,000 for the Commission of Public Works of the City of Charleston, South Carolina, for wastewater tunnel replacement;

$1,000,000 for the City of Saginaw, Michigan, for sewer infrastructure improvements;

$1,000,000 for the City of Racine, Wisconsin for the Racine Advanced Water Treatment System;

$1,000,000 for the City of Port Huron, Michigan, for sewer infrastructure improvements;

$1,000,000 for the City of New Britain, Connecticut for the New Britain Water Filtration Replacement Project;

$1,000,000 for the City of Nashua, New Hampshire to upgrade the waste water treatment system;

$1,000,000 for the City of Manchester, New Hampshire to assist in the water treatment plant upgrade and renovation;

$1,000,000 for the City of Greenville, South Carolina, for water and sewer infrastructure related to the Greenline-Spartanburg Neighborhood Redevelopment Project;

$750,000 for the City of Bancroft, Idaho for water system upgrades;

$750,000 for Morrison, Ohio for a sanitary sewer collection system;

$750,000 for Blanding, Utah for the Blanding water conveyance tunnel;

$300,000 for the City of Las Vegas, Nevada, sewer replacement project;

$650,000 for the City of Sebree, Kentucky for the City of Sebree Sewer project,

$650,000 for Autauga County, Alabama for a sewer infrastructure construction project;

$600,000 for the Gold Hill, Oregon for a water intake relocation project;

$580,000 for the City of Richland, Washington, for wastewater infrastructure improvements;

$1,000,000 for the City of Grafton, North Dakota for the Grafton Water Treatment Plant Improvement;

$1,000,000 for the City of Española, New Mexico for water and wastewater treatment;

$1,000,000 for the City of Clay, Kentucky for the Clay Sewer project;

$1,000,000 for the City of Burley, Idaho for improvements to the wastewater treatment system;

$1,000,000 for the City of Berlin, New Hampshire to assist in construction of water delivery infrastructure;

$1,000,000 for Eastern Calhoun County, Michigan, for regional wastewater treatment infrastructure improvements;

$1,000,000 for Corinna, Maine for its sewer system;

$1,000,000 for Bristol County, Massachusetts, for sewer infrastructure improvements;

$1,000,000 for Alamogordo, New Mexico for the Alamogordo Regional Desalination Project.

Of the amount provided for high priority water and wastewater facilities in the area of the United States-Mexico border, the Committee intends $4,000,000 for the El Paso-Las Cruces Sustainable Water Project and $2,000,000 for the Brownsville water supply project.

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

In addition, the Committee recommends the budget request for the following programs: BEACH grants ($10,000,000); Section 319 non-point source pollution grants ($238,476,800); United States-Mexico Border ($75,000,000); the Indian General Assistance Program ($57,469,700); and Brownfields infrastructure projects and grants ($170,500,000). The Committee notes that this amount, along with $29,500,000 provided in the Environmental Programs and Management account, brings total funding for Brownfields activities to $200,000,000 for fiscal year 2003.

The Committee has included bill language, as carried in previous appropriations acts, to clarify that drinking water health effects studies are to be funded through the science and technology account.

The Committee has also included bill language, as requested by the administration and as carried in previous appropriations acts, to: (1) extend for an additional year the authority for States to transfer funds between the Clean Water SRF and the Drinking Water SRF; (2) waive the 1.5 percent cap on the Tribal set aside from non-point source grants; (3) increase to 1.5 percent the cap on the Tribal set-aside for the Clean Water SRF; and (4) require that any funds provided to address the water infrastructure needs of colonias within the United States along the United States-Mexico border be spent only in areas where the local governmental entity has established an enforceable ordinance or rule which prevents additional development within colonias that lacks water, wastewater, or other necessary infrastructure.

Finally, the Committee has included bill language making a technical correction to a grant provided to the City of Welch, West Virginia, in fiscal year 2000.

ADMINISTRATIVE PROVISIONS

Cooperative Agreements with Tribes.—The Committee has included bill language, as proposed in the budget request and as carried in previous appropriations acts, permitting EPA, in carrying out environmental programs required or authorized by law in the absence of an acceptable tribal program, to use cooperative agreements with federally-recognized tribes and inter-tribal consortia.

Pesticide Tolerance Processing Fees.—The Committee has included a provision prohibiting the Agency from collecting pesticide tolerance processing fees as envisioned in the proposed rule issued on June 9, 1999. The budget request assumes that in 2003, EPA will have available to spend approximately $25,000,000 in both retroactive and current fees based on this proposed rule. However, the Committee notes that the conference agreement on the Farm Bill (H. Rpt. 107–424, page 666) questioned the legal basis of this proposed rule, and strongly encouraged the EPA to withdraw the proposed rule and work with the appropriate House and Senate oversight Committees to develop comprehensive pesticide user fee legislation. Because of this lack of consensus on the tolerance processing fee, the Committee believes it would be irresponsible to assume the availability of any funding for the Agency under this proposed rule, as the budget request does. Furthermore, the Committee believes that making such an assumption would leave the Agency without sufficient funding to run its pesticides programs, which would ultimately result in reductions to other important core environmental activities to pay the approximately 200 FTE in the pesticides programs. Therefore, to ensure that that Agency has sufficient funding to run its pesticide programs, the Committee has also included provisions to extend the pesticide maintenance fee for an additional year, including the collection of up to $23,200,000 for operation of the registration, re-registration, and tolerance assessment programs. The Committee notes that these provisions are similar to provisions included in the fiscal year 2002 VA–HUD conference agreement. Furthermore, the Committee stresses that it recommends these actions for one additional year only in order to allow for the development of a consensus proposal for all pesticide fees, and notes that it has directed the Agency to issue a final pes-

ticide tolerance processing fee rule, exclusive of retroactivity, no later than September 30, 2003. The Committee expects these issues to be resolved for the fiscal year 2004 budget cycle, and does not intend to include this or any similar stop-gap measure as part of the fiscal year 2004 bill.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Appropriations, 2002	$5,267,000
Budget estimate, 2003	5,368,000
Committee recommendation	5,368,000

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 the budget request of $5,368,000 for the Office of Science and Technology Policy. This represents an increase of $101,000 or 1.9 percent over the fiscal year 2002 level.

The Committee supports the administration's interagency initiatives in nanoscience and engineering and information technology research. These are cutting-edge interagency programs that are important for the long term health of the Nation. In the area of nanotechnology, the National Academy of Sciences has made a number of recommendations that would strengthen the interagency National Nanotechnology Initiative (NNI). The Committee urges OSTP to give serious consideration to the Academy's recommendations. The Committee is particularly supportive of the recommendation for an independent advisory council, modeled after the one used for the information technology initiative. The Committee views such outside advice as vital to help focus the interagency program on critically important challenges. The Committee also supports the recommendation calling for increased interagency investments in areas related to nanotechnology and the life sciences. It is already apparent that applications of nanotechnology can have significant impacts in disease diagnosis and treatment. Accordingly, the Committee calls on OSTP to ensure the active par-

ticipation of the National Institutes of Health in this interagency research initiative.

The Committee is concerned with recent changes made in the administration's interagency global change research program. It is vital this interagency program be based on a broad, well-balanced research agenda, focused on both short-term and long-term needs and questions, and implemented using an open peer review process to ensure scientific excellence. The Committee believes that the Science Advisor must play the lead role in the Federal Government's global environmental research program to ensure scientific excellence is maintained. OSTP is requested to provide the Committee with a progress report on this matter by February 3, 2003.

The Committee believes that the deployment of next-generation broadband networking infrastructure will stimulate cutting edge research activities, create jobs, increase productivity, and improve our quality of life. With appropriate support from the Federal Government, the research community can develop innovative last-mile technologies, cutting-edge, high-bandwidth applications such as telepresence, and advances in wide-area networking technologies. The Committee urges OSTP to expeditiously re-establish the Presidential Information Technology Advisory Committee (PITAC), and as part of their work, request PITAC to develop a proposal to support research into applications that will stimulate and promote ubiquitous broadband deployment.

The Committee remains concerned about the balance among fields in the Federal research portfolio, particularly as it relates to the physical sciences and engineering. Advances in the biomedical area are dependent on progress in such areas as physics, chemistry, electrical engineering, and chemical engineering. However, progress in these fields is being hindered by funding shortfalls. Therefore, the Committee directs the Science Advisor, in conjunction with the Presidential Council of Advisors on Science and Technology (PCAST), to develop an action plan to address this issue as a part of the fiscal year 2004 budget proposal.

The Committee is concerned that too few U.S. students are pursuing undergraduate and advanced degrees in science and engineering to meet the Nation's workforce needs. The Committee recognizes that for advanced education to be effective, it must be pursued at colleges and universities with active research programs. The NSF, NASA, and other agencies are in a unique position to help ensure that our universities are well positioned to meet the Nation's needs. The Committee believes that an overarching Federal strategy should be developed. OSTP, in cooperation with the National Science and Technology Council (NSTC) and the Nation's colleges and universities, is urged to develop a comprehensive strategy to increase the number of students pursuing degrees in science and engineering. The plan should include means to increase the number of university research and educational groups, to increase the number of new, young faculty; to build cooperative relationships between universities and the various Federal agencies; and means for attracting and supporting undergraduate and graduate students. The plan should be submitted to the Committee by March 15, 2003.

In Senate Report 107–43, the Committee directed OSTP to develop an interagency plan for the implementation of an integrated ocean observing system. The Committee notes that efforts are underway to develop such a plan, but it has not yet been completed. The Committee expects that this interagency oceans observatories plan will be completed and submitted by the time the President's fiscal year 2004 is released.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriations, 2002	$2,974,000
Budget estimate, 2003	3,031,000
Committee recommendation	3,031,000

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 interagency environmental disputes informally and through issuance of findings and recommendations.

COMMITTEE RECOMMENDATION

The Committee has provided $3,031,000 for the Council on Environmental Quality, an increase of $57,000 above the fiscal year 2002 enacted level and equal to the budget request.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$33,660,000
Budget estimate, 2003	30,848,000
Committee recommendation	30,848,000

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 $30,848,000 for the FDIC inspector general, $2,812,000 less than the 2002 enacted level and the same as the budget request. Funds are to be derived by transfer from the bank insurance fund, the savings association insurance fund, and the FSLIC resolution fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Appropriations, 2002	$7,555,546,000
Budget estimate, 2003	6,441,846,000
Committee recommendation	4,435,560,000

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 $4,435,560,000 for the Federal Emergency Management Agency. This appropriation provides funding for disaster relief, emergency management planning, emergency food and shelter and the Inspector General.

DISASTER RELIEF

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$6,520,871,000
Budget estimate, 2003	1,842,843,000
Committee recommendation	[1] 1,842,843,000

[1] Includes $1,500,000,000 as a contingent emergency.

PROGRAM DESCRIPTION

Through the Disaster Relief Fund (DRF), FEMA provides a significant portion of the total Federal response to victims in Presidentially declared major disasters and emergencies. Major disasters are declared when a State requests Federal assistance and has proven that a given disaster is beyond the State's capacity to respond. Under the DRF, FEMA provides three main types of assistance: individual and family assistance; public assistance, which includes the repair and reconstruction of State, local and non-profit infrastructure; and hazard mitigation.

COMMITTEE RECOMMENDATION

The Committee has provided $1,842,843,000 for FEMA disaster relief, the same as the budget request. However, the Committee has designated $1,500,000,000 of the amount as an emergency.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

(LIMITATION ON DIRECT LOANS)

STATE SHARE LOAN

	Program account	Administrative expenses
Appropriations, 2002	$405,000	$543,000
Budget estimate, 2003	.....	557,000
Committee recommendation	.....	557,000

PROGRAM DESCRIPTION

Disaster assistance loans authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act 42 U.S.C. 5121 et seq. are loans to States for the non-Federal portion of cost sharing funds and community disaster loans to local governments incurring substantial loss of tax and other revenues as a result of a major disaster. The funds requested for this program include direct loans and a subsidy based on criteria including loan amount and interest charged.

COMMITTEE RECOMMENDATION

For the State Share Loan Program, the Committee has provided $25,000,000 in loan authority and $557,000 in administrative expenses.

NATIONAL PRE-DISASTER MITIGATION FUND

Appropriations, 2002	.....
Budget estimate, 2003	$300,000,000
Committee recommendation	25,000,000

GENERAL DESCRIPTION

This account supports the new grant program for pre-disaster mitigation. Grants are available through a competitive process to eligible States and local jurisdictions to reduce the risk of future damage in hazard areas and to ultimately reduce the future needs for Federal disaster assistance by encouraging the building of an environment increasingly resistant to the effects of natural hazards.

COMMITTEE RECOMMENDATION

The Committee recommends $25,000,000 for pre-disaster mitigation. This is $275,000,000 below the budget request and $25,000,000 above the fiscal year 2002 enacted level.

SALARIES AND EXPENSES

Appropriations, 2002	$266,114,000
Budget estimate, 2003	239,690,000
Committee recommendation	239,690,000

PROGRAM DESCRIPTION

This account provides the necessary resources to administer the Agency's various programs at headquarters and in the regions; and the general management and administration of the Agency in legal, congressional, intergovernmental, international, and media affairs, and financial and personnel management, as well as the management of the Agency's facilities.

COMMITTEE RECOMMENDATION

The Committee recommends $239,690,000 for FEMA salaries and expenses. This is equal to the request and a decrease of $26,424,000 from the fiscal year 2002 enacted level.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$10,303,000
Budget estimate, 2003	11,549,000
Committee recommendation	17,754,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends $17,754,000 for the Office of the Inspector General, an increase of $7,451,000 above the fiscal year 2002 enacted level.

Bill language has been retained which authorizes the FEMA Inspector General to serve also as the IG for the Chemical Safety and Hazard Investigation Board.

The Committee has included funding for FEMA to continue to undertake new initiatives to enhance State and local terrorism preparedness and to improve disaster prevention strategies as a response to the terrorist attacks of September 11, 2001. Consequently, additional funds have been recommended to enable the OIG to acquire the necessary staffing and contract support services for the audit, investigation, and inspection of these new initiatives.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2002	$617,310,000
Budget estimate, 2003	3,747,214,000
Committee recommendation	1,747,214,000

PROGRAM DESCRIPTION

The emergency management planning and assistance appropriation provides resources for the following activities: readiness, response, and recovery; information technology services; fire prevention and training; national preparedness; policy and regional operations; mitigation programs; and executive direction.

COMMITTEE RECOMMENDATION

The Committee recommends $1,747,214,000 for emergency management planning and assistance. This is an increase of $1,129,904,000 above the fiscal year 2002 level and $2,000,000,000 below the request.

The Committee has provided $1,747,214,000 for emergency management planning and assistance. Of this amount, $900,000,000 is for the fire grant program; $180,000,000 is for interoperable com-

munications equipment for firefighters and EMS personnel; $75,000,000 is for Urban Search and Rescue Teams; $75,000,000 is for State and local emergency planning grants; $180,000,000 is for emergency operations centers; $15,000,000 is for mutual aid; $60,000,000 is for emergency responder training; $15,000,000 is for the CERT program; and $1,100,000,000 is for security clearances for State and local emergency management personnel.

Fire Grants.—The Committee has provided $900,000,000 for the fire grant program, the fully authorized level. This amount is $540,000,000 above the fiscal year 2002 enacted level. The Committee has provided the fully authorized level of funding for the fire grant program to provide the maximum level of funding directly to the Nation's firefighters. The Committee notes that FEMA has done an exemplary job in administering the program by obligating almost all of the funds within 1 year.

Interoperable Communications Equipment.—The Committee has provided $180,000,000 for grants to firefighters and related emergency medical services for interoperable communications equipment. The Committee urges that grants under this program be used to purchase cost effective solutions which allow entities to make existing communications interoperable such as cross band repeaters, frequency band patching and other network level solutions. In addition, equipment provided under these programs should be compatible with public safety analog ANSI/TIA–603 and/or digital radio ANSI/TIA–102 Standards.

Emergency Operations Centers.—The Committee has included $180,000,000 for grants to State emergency operations centers. The Committee is aware that many State and local emergency operation centers are in need of physical and technical improvements to enable them to provide an effective command and control structure in response to large catastrophic disasters as well as acts of terrorism.

Search and Rescue Teams.—The Committee has included $75,000,000 to upgrade all 28 existing search and rescue teams to ensure that each team has the necessary equipment to respond to any disaster including weapons of mass destruction.

State and Local Planning Grants.—The Committee has provided $75,000,000 for grants to States to upgrade their State and local emergency operations plans. This funding is provided to ensure that State and local emergency operations plans cover all hazards including natural disasters and weapons of mass destruction. The Committee urges FEMA to work with the Office of Domestic Preparedness to ensure coordination at the State and local level.

Community Emergency Response Teams (CERT).—The Committee has included the budget request of $15,000,000 for CERT.

Emergency Responder Training.—The Committee has provided $60,000,000 for emergency responder training. FEMA offers training to local first responders through the U.S. Fire Administration and other institutions to provide first responders with new and improved training procedures and management expertise.

Mutual Aid.—The Committee has included $15,000,000 to help initiate mutual aid agreements among State and local governments to maximize local resources in the event of a natural disaster or an act of terrorism.

First Responder Training.—The Committee commends the Nation's first responders for their dedicated service to their communities in times of natural or man-made disasters. In 1996, Congress first recognized the potential for terrorist attacks using weapons of mass destruction with the creation of the Nunn-Lugar-Domenici program to train first responders in 120 major U.S. cities. Department of Justice programs continue to prepare first responders for potential terrorist attacks. In addition, FEMA has longstanding experience in consequence management as the primary Federal agency with responsibility for responding to natural and man-made disasters. As the Congress considers establishing a new Department of Homeland Security, the Committee urges that priority be given to maintaining comprehensive and coordinated training programs to best serve our first responders and all America.

In addition, the Committee has included transfer authority of up to 5 percent of the amounts made available for both the fire grant program and for the urban search and rescue task force assistance program (USAR program) for salaries and expenses for the administrative costs associated with these programs. Each program is to be independently administered at the Fire Academy in Emmittsburg, Maryland. In addition, FEMA is directed to administer the new USAR program as a competitive grants program designed to fund fully all training and equipment needs of the existing 28 USAR task forces as well as the administrative costs of these teams. FEMA is expected to issue interim regulations for the USAR program that are published in the Federal Register no later than January 15, 2003.

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 fund is financed from fees assessed and collected from the NRC licensees to recover the amounts anticipated by FEMA to be obliated in the next fiscal year for expenses related to REP program activities. Estimated collections for fiscal year 2003 are $347,000.

EMERGENCY FOOD AND SHELTER PROGRAM

Appropriations, 2002	$140,000,000
Budget estimate, 2003	[1] 153,000,000
Committee recommendation	153,000,000

[1] The fiscal year 2003 budget request proposed to transfer this program to the Department of Housing and Urban Development.

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 3.5 percent of the funding received for administrative costs.

COMMITTEE RECOMMENDATION

The fiscal year 2003 budget request proposed the transfer of Emergency Food and Shelter program to the Department of Housing and Urban Development. The Committee did not agree with this proposal and has decided to retain the program within FEMA. The Committee recommends $153,000,000 for the Emergency Food and Shelter Program, the same as the budget request.

FLOOD MAP MODERNIZATION FUND

Appropriations, 2002	.....
Budget estimate, 2003	$300,000,000
Committee recommendation	300,000,000

GENERAL DESCRIPTION

This program provides funds to modernize and digitize FEMA's inventory of over 100,000 flood maps. These flood maps are used to determine appropriate risk-based premium rates for the National Flood Insurance Program, complete hazard determinations required for the Nation's lending institutions, and to develop appropriate disaster response plans for Federal, State, and local emergency management personnel.

COMMITTEE RECOMMENDATION

The Committee has provided the budget request of $300,000,000 for floodplain map modernization.

Floodplain mapping, including both new mapping as well as updates of existing floodplain maps, is critical to successful community planning for purposes of mitigation and risk of loss associated with flooding. Unfortunately, much of the floodplain mapping throughout the Nation is out of date and in many cases obsolete. This new program will allow FEMA to move forward in meeting these floodplain mapping needs.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER 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 2003, 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.

The Committee remains very concerned that FEMA has not taken the necessary steps to ensure the success of the National Flood Insurance program. In particular, participation in the National Flood Insurance is very low in many areas of the country vulnerable to flooding, including areas which have been damaged in the recent past by extreme flooding. In addition, without increased participation, the flood insurance program will continue to suffer large financial losses that cannot be sustained by premiums and are covered instead by borrowing from the United States Treasury. The Committee believes that much of the problem of low participation is the result of inattention to the National Flood Insurance program by FEMA, including decisions that are inconsistent with program requirements and good policy. In particular, the Committee expects FEMA to require all homeowners to obtain flood insurance if they have received assistance in replacing, repairing or restoring property damaged by flooding. Consistent with section 532 of the National Flood Insurance Reform Act of 1994, FEMA is expected to deny flood disaster assistance, including buyout assistance, to any homeowner that has failed to obtain or maintain flood insurance as required by this section.

COMMITTEE RECOMMENDATION

The Committee has included bill language, providing up to $32,393,000 for administrative costs from the Flood Insurance Program for salaries and expenses. The Committee has also included bill language providing up to $77,666,000 for flood mitigation activities including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act.

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

Through fee-generated funds transferred from the National Flood Insurance Fund, this fund supports activities to eliminate pre-existing, at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States.

COMMITTEE RECOMMENDATION

Through fee-generated funds totaling $20,000,000 transferred from the National Flood Insurance Fund, the National Flood Mitigation Fund will provide a mechanism to reduce the financial burden of pre-existing, at-risk structures that are repetitively flooded by removing or elevating these structures out of flood hazard areas,

as well as provide flood mitigation assistance planning support to States and communities.

GENERAL SERVICES ADMINISTRATION

FEDERAL CONSUMER INFORMATION CENTER FUND

Appropriations, 2002	$7,276,000
Budget estimate, 2003	12,541,000
Committee recommendation	15,000,000

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.

On January 28, 2000, the Consumer Information Center assumed responsibility for the operations of the Federal Information Center [FIC] program with the resulting organization being officially named the Federal Consumer Information Center [FCIC]. The FIC program was established within the General Services Administration in 1966, and was formalized by Public Law 95–491 in 1980. The program's purpose is to provide the public with direct information about all aspects of Federal programs, regulations, and services. To accomplish this mission, contractual services are used to respond to public inquiries via a nationwide toll-free telephone call center. The FIC was previously funded by the Treasury and General Government Appropriations Act.

The Federal Consumer Information Center combines the nationwide toll-free telephone assistance program and the database of the FIC with the CIC website and publications distribution programs. The FCIC is a one-stop source for citizens to get information about government programs and everyday consumer issues.

During fiscal year 2002, FCIC became a critical part of GSA's newly established Office of Citizen Services and Communications which brings together all of GSA's citizen-centered programs. The new Office will serve as a central Federal gateway for citizens, businesses, other governments, and the media to easily obtain information and services from the government. Under this new organization, FCIC remains committed to its consumer information outreach mission mandate but adds additional channels to broaden its scope to provide all citizens with access to the information and services available from government. FCIC assumed operational control of the FirstGov.gov website and plans to begin accepting e-mail and fax inquiries from the public in fiscal year 2003.

Public Law 98–63, enacted July 30, 1983, established a revolving fund for the CIC. Under this fund, FCIC 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 FCIC activities. All are available as authorized in appropriation acts without regard to fiscal year limitations.

COMMITTEE RECOMMENDATION

The Committee recommends $15,000,000 for the Federal Consumer Information Center, an increase of $5,265,000 above the fiscal year 2002 enacted level. This increase is provided to enable FCIC to begin accepting and responding to e-mail and fax inquires from the public in fiscal year 2003.

The appropriation will be augmented by a projected $556,000 reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income. FCIC's anticipated resources for fiscal year 2003 will total approximately $15,556,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriations, 2002	$14,901,600,000
Budget estimate, 2003	15,000,000,000
Committee recommendation	15,200,000,000

GENERAL DESCRIPTION

The National Aeronautics and Space Administration (NASA) 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. pre-eminence in aeronautics and space. NASA's unique mission of exploration, discovery, and innovation is intended to preserve the United States' role as both a leader in world aviation and as the pre-eminent space-faring nation. It is NASA's mission to: advance human exploration, use and development of space; advance and communicate scientific knowledge and understanding of the Earth, the Solar System and the Universe; and research, develop, verify and transfer advanced aeronautics and space technologies.

COMMITTEE RECOMMENDATION

The Committee recommends $15,200,000,000 for the National Aeronautics and Space Administration for fiscal year 2003, an increase of $200,000,000 above the budget request and $298,400,000 above the fiscal year 2002 enacted level.

The Committee remains sensitive to continuing risks regarding the illegal transfer and theft of sensitive technologies that can be used in the development of weapons by governments, entities and persons who may be hostile to the United States. The Committee commends both NASA and the NASA Inspector General (IG) for their efforts to protect sensitive NASA-related technologies. Nevertheless, this will remain an area of great sensitivity and concern as the development of technological advances likely will continue to accelerate. The Committee directs NASA and the NASA IG to report annually on these issues, including an assessment of risk.

HUMAN SPACE FLIGHT

Appropriations, 2002	$6,830,100,000
Budget estimate, 2003	6,130,900,000
Committee recommendation	6,130,900,000

GENERAL DESCRIPTION

NASA's "Human Space Flight" account provides for human space flight activities, and for safety, mission assurance and engineering activities supporting the Agency. The HSF activities are centered around the operation of the Space Shuttle as well as high priority investments to improve the safety of the Space Shuttle and required construction projects in direct support of the Space Station and Space Shuttle programs. This appropriation also provides for: salaries and related expenses (including travel); design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of facilities; and other operations activities supporting human space flight programs; and space operations, safety, mission assurance and engineering activities that support the Agency.

COMMITTEE RECOMMENDATION

The Committee has provided $6,130,900,000 for the Human Space Flight account. This amount is the same amount as the President's request for these activities in fiscal year 2003.

Space Station.—The Committee has provided $1,492,100,000 for the International Space Station (ISS), the same as the budget request. This funding level will continue assembly missions through U.S. Core Complete (Flight 10A), currently planned for calendar year 2004, and support early research commensurate with the build-up of on-orbit utilization capabilities.

In previous years, the Committee has criticized NASA's management of the ISS program. The lack of credible budget estimates, program mismanagement and the absence of any credible oversight forced the Committee to cut funding and impose cost caps on the program. Despite these actions by Congress, NASA was unable to correct the underlying problems associated with the program. In 2001, NASA announced that the ISS would require an additional $4,800,000,000 over previous estimates to complete the ISS, as planned.

As a result of these cost overruns, NASA and the Office of Management and Budget (OMB) eliminated certain program elements to reduce cost and provide additional time to re-scope the ISS with the international partners. In addition, NASA created an independent assessment team known as the ISS Management and Cost Evaluation (IMCE) Task Force to evaluate program management. The Committee supports the recommendations of the (IMCE) Task Force and the development of a Cost Analysis Requirements Document (CARD) to support cost estimates of the U.S. Core Complete baseline. Furthermore, the Committee notes the agency's intention to develop an integrated management action plan based on recommendations of the IMCE Task Force. The Committee fully supports this approach in order to provide the Congress with reliable cost estimates for the U.S. Core Complete and beyond.

In addition, the Committee supports the recommendations of the Research Maximization and Prioritization Task Force (REMAP) as it pertains to ISS research. The Committee views the Task Force report as the foundation upon which the OBPR sets ISS research priorities and its organizational structure. The Committee notes

that a final report on the REMAP recommendations is to be provided by the NASA Advisory Council during the third quarter of calendar year 2002. Given the importance of the REMAP report to the future of the ISS and the agency's overall research agenda, the Committee directs the Administrator to report to the Committees on Appropriations by December 1, 2001 on the implementation of the REMAP recommendations in relation to the ISS as well as the overall structure of the OBPR.

The Committee remains concerned about Russia's continued policy of selling time on the ISS for tourists, especially since the guiding purpose for the construction of the ISS was to have a world class microgravity research platform, a goal which is still far away. The Committee urges NASA to strictly enforce the protocols developed in cooperation with the international partners to ensure that any space tourist is fully trained and physically capable of participating as a crew member on the ISS.

Space Shuttle.—The Committee has provided $3,208,000,000 for the Space Shuttle program, the same as the budget request. In fiscal year 2003, four Space Shuttle flights are planned in support of ISS. The proposed budget also supports key Space Shuttle safety investments as part of the Integrated Space Transportation Plan.

The Committee believes their is no higher priority than improving the safety of the Shuttle orbiters. The Committee directs NASA to proceed with implementation of the Cockpit Avionics Upgrade, the Advanced Heath Management System and the External Tank Friction stir weld project.

In March 2002, NASA's Aerospace Safety Advisory Panel issued its Annual Report. The Committee commends the Panel for its thorough assessment of the Human Space Flight Program and its recommendations to improve ISS and Space Shuttle safety. The Committee recognizes that NASA has made safety its top priority and applauds the agency for the steps it has taken to date to reduce risks and improve the safety and reliability of all programs within the HEDS Enterprise including operation of the Space Shuttle.

However, the Panel stated that current budget projections for the Space Shuttle are insufficient to accommodate significant safety upgrades, infrastructure upgrades and maintenance of critical workforce skills over the long term. The Committee concurs with this assessment. While the Committee recognizes that NASA is studying the overall space transportation architecture, including second and third generation re-usable launch vehicles to eventually replace the Shuttle, it is clear that the Space Shuttle will continue to operate for at least the next decade, and possibly as long as two decades, as NASA's main heavy lift vehicle for human space flight. Therefore, the Committee directs the Administrator to include, as part of the fiscal year 2004 budget, a thorough assessment of flight systems, logistics, infrastructure and workforce readiness costs that would be needed to maintain and improve Space Shuttle safety over the expected operational life of the Shuttle.

The Committee remains concerned about the overall state of the infrastructure of the Space Shuttle program. While the committee is aware that NASA has conducted an assessment of some of its infrastructure, there has been no official comprehensive study of

Shuttle infrastructure needs with reliable cost estimates. Therefore, the Committee directs the Administrator to report the Committees on Appropriations by January 10, 2003, on the critical infrastructure needs for the Space Shuttle program ranked by order of priority including cost estimates for each project identified.

Payload and Expendable Launch Vehicle (ELV) Support.—The Committee recommends $87,500,000 for payload and ELV support, the same as the budget request. This account provides technical expertise, facilities, flight carrier hardware and capabilities necessary to provide servicing of multiple payloads to be flown aboard the Space Shuttle. In 2002 and 2003, over 20 major and secondary payloads will be flown on the Shuttle.

In addition, this account provides funds for technical and management insight of commercial launch services, including advanced mission design/analysis and leading-edge integration services which are provided for the full range of NASA missions under consideration for launch on ELVs. In 2003, support for 10 ELV launches, including 1 secondary, is planned.

Investments and Support.—The Committee recommends $1,178,200,000 for investments and support, the same as the budget request. Funding in the account provides institutional support to the Human Exploration and Development of Space (HEDS) Enterprise through research and program management, construction of facilities, rocket propulsion testing and engineering and technical support to maintain "core" technical skills and capability at the NASA centers involved in human space flight.

Space Communications and Data Systems.—The Committee has provided $117,500,000 for space communications and data systems, the same as the budget request. Funding in this account provides space communications services for all NASA Enterprises not otherwise covered by each Enterprise.

Safety, Mission Assurance and Engineering.—The Committee recommends $47,600,000 for safety, mission assurance and engineering, the same as the budget request. This account provides funding for agencywide safety and engineering programs to ensure uniform safety programs, practices and procedures are implemented throughout all NASA Enterprises.

SCIENCE, AERONAUTICS, AND TECHNOLOGY

Appropriations, 2002	$8,047,800,000
Budget estimate, 2003	8,844,500,000
Committee recommendation	9,044,500,000

PROGRAM DESCRIPTION

NASA's "Science, aeronautics and technology" account provides funding for science, aeronautics and technology activities supporting the Agency. These activities include space science, biological and physical research, Earth science, aerospace technology and academic programs. This appropriation also provides for salaries and related expenses (including travel); design, repair, rehabilitation, and modification of facilities and construction of new facilities; maintenance and operation of facilities; and other operations activities supporting science, aeronautics, and technology programs.

COMMITTEE RECOMMENDATION

The Committee recommends $9,044,500,000 for the Science, Aeronautics and Technology account, an increase of $200,000,000 above the President's request and $996,700,000 above the fiscal year 2002 enacted level.

Space Science.—The activities of NASA's Space Science Enterprise seek to chart the evolution of the universe, from origins to destiny, and understand its galaxies, stars, planetary bodies, and life. The Enterprise asks basic questions that have eternally perplexed human beings, such as how the universe began and evolved and whether there is other intelligent life in the universe. The Space Science Enterprise develops space observatories and directs robotic spacecraft into the solar system and beyond to investigate the nature of the universe.

The quest for this information, and the answers themselves, is intended to maintain scientific leadership, excite and inspire our society, strengthen education and scientific literacy, develop and transfer technologies to promote U.S. competitiveness, foster international cooperation to enhance programs and share their benefits, and set the stage for future space ventures.

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

An increase of $105,000,000 for the New Horizons Program for the Pluto-Kuiper Belt (PKB) mission to be used for the spacecraft, instruments, project management, the radioisotope thermoelectric generator and the launch vehicle. The Committee has added funding to continue development work on the Pluto-Kuiper Belt mission as the first mission in the New Horizons Program. The Committee notes that the PKB mission meets all of the criteria for the New Horizons Program and expects the agency to include funding for PKB in subsequent budget submissions in order to launch the mission by 2006.

An increase of $2,000,000 for a center on life in extreme thermal environments at Montana State University.

An increase of $500,000 to the University of Alaska, Anchorage, for broadband riverine research in Alaska.

A decrease of $16,500,000 from the flight projects building at the Jet Propulsion Laboratory. The Committee makes this reduction without prejudice in light of the Agency's decision to postpone construction in fiscal year 2002.

A decrease of $9,000,000 from the proposed Nuclear Power Program and a decrease of $4,000,000 from the proposed Nuclear Electric Propulsion program. The Committee supports both new programs, but believes that the necessary technology will be slow to ramp up. Moreover, the Committee is concerned about out year budget costs of these programs, the Space Launch Initiative and Shuttle upgrades, all program that will need to complement each other.

Mars Program.—The Committee has provided the full budget request for the Mars Program.

Hubble Space Telescope.—The Committee has provided the full budget request for the Hubble Space Telescope and the Next Generation Space Telescope.

The Committee commends the Agency for the continued success of the Hubble Space Telescope and the extraordinary contributions it has made to the advancement of science.

Living With A Star.—The Committee remains strongly supportive of the Living With A Star program because of the critical role its missions will play in understanding the effect of the Sun on our solar system particularly its impact on space weather which can have a profound impact on the Earth. Therefore, the Committee has provided the full budget request for technology development requested for the magnetospheric multiscale mission (MMS), the Solar Dynamics Observatory (SDO) and the Geospace Missions. Should the Agency wish to reallocate funds within these missions, the Committee will entertain a re-programming request in the operating plan provided that any re-programming preserves the LWS objective of maintaining contemporaneous science.

Earth Science.—The activities of NASA's Earth Science Enterprise seek to understand the total Earth system and the effects of humans on the global environment. This pioneering program of studying global climate change is developing many of the capabilities that will be needed for long-term environment and climate monitoring and prediction. Governments around the world need information based on the strongest possible scientific understanding. The unique vantage-point of space provides information about the Earth's land, atmosphere, ice, oceans, and biota as a global system, which is available in no other way. In concert with the global research community, the Earth Science Enterprise is developing the understanding needed to support the complex environmental policy decisions that lie ahead.

However, the Committee is concerned about the potential for the administration to diminish NASA's pre-eminent role in earth science and earth science applications. As the Committee noted during its fiscal year 2003 hearings, the Agency's development and launch of a series of major earth science missions combined with a successful ground system that is processing and distributing the largest volumes of data ever received by civilian users from space are among NASA highest technological and scientific achievements. The Committee wishes to affirm its unequivocal support for expanding NASA's role in earth science and earth science applications.

Within the applications program, the Committee believes that the Agency's approach needs more refinement and integration of emerging programs, like Synergy, the Regional Earth Science Applications Centers (RESACs), the Earth Science Information Partnerships (ESIPS) and the considerable in-house scientific capability at the NASA Centers. Such integration should not disrupt the existing program structure in 2003, but should plan for an evolutionary approach in fiscal year 2004. The Committee is pleased with efforts to integrate key Federal agency requirements as objectives of the applications program and expects a progress report on these efforts in the operating plan.

The Committee strongly supports the development of remote sensing research and technology as a collaboration and partnership between NASA, universities and the private sector. The Committee commends both SSC and Goddard for their investment and com-

mitment to the commercial aspects of remote sensing research and technology. There already have been significant advances made with regard to remote sensing applications in agriculture, flood mapping, environmental protection, urban planning, firefighting and land use issues. The Committee urges both Goddard and SSC to work together to continue to develop those remote sensing research and technology projects that have the strongest potential for commercial applications.

In keeping with this emphasis, the Committee makes the following adjustments to the budget request:

An increase of $25,000,000 for EOSDIS for the Synergy Program at the Goddard Space Flight Center.

An increase of $20,000,000 for pre-formulation studies. The additional funding provided for this program is to be used to continue pre-formulation studies for solar irradiance, total column ozone and ocean vector winds.

An increase of $2,500,000 to the University of Washington, Pacific Northwest Regional Collaboratory to develop applications and end-uses for earth science data in the Northwest.

An increase of $750,000 for Utah State University for landscape analysis, planning and monitoring at the Intermountain Region Digital Image Archive and Processing Center.

An increase of $2,000,000 for the University of Montana for an International Earth Observing System Natural Resource Training Center.

An increase of $2,000,000 for joint weather and ocean research at the University of Massachusetts and the University of Alaska.

An increase of $1,500,000 for the University of Louisville for the Bio-MEMS Microtechnology Center in Louisville, Kentucky.

An increase of $2,000,000 for the University of New Mexico for the development of the Center for Rapid Environmental Assessment and Terrain Evaluation (Create) which would provide for the rapid acquisition, processing and dissemination of environmental data.

An increase of $1,500,000 for George Mason University in Fairfax, Virginia for the Mid-Atlantic Geospatial Information Consortium.

A decrease of $3,400,000 from the flight projects building at JPL. The Committee makes this reduction without prejudice in light of the Agency's decision to postpone construction in fiscal year 2002.

Biological and Physical Research.—NASA's Biological and Physical Research (BPR) Enterprise recognizes the essential role biology will play in the 21st century and pursues the core of biological and physical sciences research needed to support NASA's strategic objectives. BPR fosters and enhances rigorous interdisciplinary research, closely linking fundamental biological and physical sciences in order to develop leading-edge, world-class research programs. BPR uses the unique characteristics of the space environment to understand biological, physical, and chemical processes, conducting science and technology research required to enable humans to safely and effectively live and work in space, and transferring knowledge and technologies for Earth benefits. BPR also fosters commercial space research by the private sector toward new or improved

products and/or services on Earth, in support of the commercial use of space.

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

An increase of $7,500,000 for the National Space Biomedical Research Institute.

An increase of $600,000 to North Carolina State University, Raleigh, North Carolina for gravitational and space biology.

An increase of $1,000,000 to the University of Connecticut Health Center, Farmington, Connecticut for bone and muscle loss studies.

An increase of $1,500,000 for interactive biological crystallization technology development.

Aero-Space Technology.—NASA's Aerospace Technology Enterprise works to maintain U.S. preeminence in aerospace research and technology. The Enterprise aims to radically improve air travel, making it safer, faster, and quieter as well as more affordable, accessible, and environmentally sound. The Enterprise is also working to develop more affordable, reliable, and safe access to space; improve the way in which air and space vehicles are designed and built; and ensure new aerospace technologies are available to benefit the public.

The Committee is concerned about the status of aerospace technology within NASA's budget and emphasizes the important role that NASA plays in developing new aerospace technologies that are key to the continued development of such aircraft needs as long range aircraft, supersonic transports, global reach transports as well as cost-effective access to space. The Committee especially is interested in the viability of "intelligent" engine systems such as "Propulsion 21" which could build on current investments in the Ultra Efficient Engine Technology (UEET) and Quiet Aircraft Technology (QAT) because of the potential benefits to the U.S. aerospace industry.

However, the Committee recognizes that the budget will not permit the funding of all proposals or promising technologies. The Committee also believes that the development of aerospace technologies must be based in public/private partnerships guided by cost-sharing principles. Therefore, the Committee directs NASA to submit a report by August 30, 2003 on NASA's 5-year investment plan for aerospace technology including a list of technology goals and priorities, funding needs of these goals and priorities, the criteria used for selecting these priorities and goals, and the nature of the public-private partnership in reaching these priorities and goals.

The Committee makes the following adjustments to the budget request:

An increase of $3,000,000 for the Chesapeake Information Based Aeronautics Consortium based in partnership at Morgan State University, Baltimore, Maryland, Bowie State University and the University of Maryland, Eastern Shore.

An increase of $3,000,000 for the Stennis Space Center for the development of a visitors center.

An increase of $1,000,000 for the Educational Training Center at the U.S. Space & Rocket Center in Huntsville, Alabama.

An increase of $3,000,000 for the Alabama Science Center Alliance (Sci Quest) for the acquisition of addition "immersive reality laboratories" and networking capacity.

An increase of $2,000,000 for the University of Alabama in Huntsville to augment the UAH Propulsion Test Facility.

An increase of $750,000 for the National Institute for Aviation Research for icing aviation safety research in Kansas;

An increase of $1,500,000 for the Glenn Research Center for the Glennan Microsystems Initiative.

An increase of $1,000,000 for the Glenn Research Center for the Garrett Morgan Commercialization Initiative.

An increase of $7,000,000 to build on investments in the Ultra Efficient Engine Technology and Quiet Aircraft Technology by demonstrating related engine technology including low noise, active control of engine air flows and combustion processes, emissions and fuel reduction concepts and a "virtual engine simulation" capability.

An increase of $4,500,000 to for propulsion test complex upgrades at the Stennis Space Center. An increase of $2,000,000 for the National Technology Transfer Center at Wheeling Jesuit University.

Aviation.—The Committee has provided $541,400,000 for aviation programs, the same as the budget request. This includes funding for aviation safety, vehicle systems and airspace systems programs.

Advanced Space Transportation.—The Committee recommends $849,400,000 for advanced space transportation.

Second Generation Reusable Launch Vehicle (SLI).—Within the amount provided for Advanced Space Transportation, the Committee provides $729,200,000 for development of the 2nd Generation Reusable Launch Vehicle, $30,000,000 below the budget request and $262,200,000 more than the fiscal year 2002 enacted level. The Committee supports the Space Launch Initiative as a necessary step towards finding a cost effective replacement for the Space Shuttle.

The Committee recognizes the Wallops Flight Facility (WFF) as a launch and recovery site for next generation launch vehicles and small commercial and scientific payloads. The Committee directs the Marshall Space Flight Center (MSFC) to utilize the WFF as a site for testing and demonstration of new launch vehicles and technology development. The Committee directs NASA to report to Congress by January 31, 2003 on how the MSFC will utilize Wallops as a testing and launch facility.

Revolutionary Technology.—The Committee has provided $274,900,000 for revolutionary technology development, the same as the budget request. Funding in this initiative includes computing, information and communications technology, engineering for complex systems and enabling concepts and technologies.

Commercial Technology.—The Committee recommends $146,900,000 for commercial technology development including commercial technology transfer and the Small Business Innovation Research Programs. This is the same amount as the budget request.

Aerospace Institutional Support.—The Committee recommends $973,200,000 for aerospace institutional support, the same as the budget request.

Academic Programs.—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 recommendation has included $10,000,000 for the NASA EPSCoR Program, $5,400,000 above the budget request and the same as the fiscal year 2002 level. The Committee 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 $82,100,000 for NASA's minority university research and education activities. This is the same as the budget request. Furthermore, the Committee supports the continuation of a stand-alone Minority University Research and Education Division.

The Committee includes the following adjustments to the budget request:

An increase of $1,000,000 to the Delaware Aerospace Education Foundation, Kent County, Delaware.

An increase of $750,000 to the Chabot Space and Science Center, Oakland, California.

An increase of $2,500,000 to Marshall University, Bridgeport, West Virginia, for the Hubble Telescope Project.

An increase of $1,500,000 to the University of Missouri-Columbia for the Life Sciences Center.

An increase of $1,000,000 to Wesleyan College, Macon, Georgia for the Monroe Science Center.

An increase of $1,000,000 to Morehouse College, Atlanta, Georgia, for the Center of Excellence in Telecommunication and Space.

An increase of $1,000,000 to the Montefiore Medical Center, Bronx, New York for the Discovery Center.

An increase of $1,000,000 to Rutgers University, Piscataway, New Jersey for the Biomedical Engineering Facility.

An increase of $3,000,000 to the University of North Dakota Upper Midwest Aerospace Consortium, Grand Forks, North Dakota, for earth science education and remote sensing activities.

An increase of $1,000,000 to the Museum of Science and Industry, Chicago, Illinois, for the Henry Crown Space Center.

An increase of $2,500,000 to Iowa State University, Ames, Iowa for non-destructive evaluation studies.

An increase of $750,000 to the City of Des Moines, Iowa, for the Des Moines Science Center.

An increase of $750,000 for the California Science Center.

An increase of $2,000,000 to the South Carolina Association of School Administrators, Columbia, South Carolina for the Blue Ribbon School Reform Project and Interactive Library.

An increase of $2,000,000 to the College of Charleston, Charleston, South Carolina, for the School of Science and Mathematics.

An increase of $4,000,000 to the University of Hawaii, Hilo, for the Mauna Kea Astronomy Education Center.

An increase of $2,000,000 to the University of Wisconsin, Green Bay, for the Wisconsin Initiative for Math, Science and Technology Education.

An increase of $4,000,000 to the University of New Orleans, Louisiana, for the Composites Research Center of Excellence at the Michoud Space Center to develop advanced metallic joining technologies for aerospace applications.

An increase of $250,000 for the University of Vermont for muscle, bone blood studies related to human space flight.

An increase of $3,000,000 to the Mitchell Foundation, Portland, Maine for science and engineering education.

An increase of $1,500,000 to the Maryland Science Center, Baltimore, Maryland for expansion of the earth science hall.

An increase of $750,000 to the University of Arkansas, Little Rock, for minority recruitment in science and engineering.

An increase of $2,500,000 to Brown University, Providence, Rhode Island for the Life Sciences Building.

An increase of $1,000,000 to the State University of New York, Buffalo, for the Center of Excellence in Bioinformatics.

An increase of $1,000,000 to Lane County, Oregon for the Planetarium Learning Center.

An increase of $500,000 for Virginia Commonwealth University for advance research in batteries and fuel cells.

An increase of $2,000,000 for the Gulf of Maine Aquarium Foundation for the construction of a Gulf of Maine Laboratory.

An increase of $1,000,000 for the University of North Carolina-Chapel Hill for the Destiny Mobile Science Laboratory.

An increase of $500,000 for Widener University in Pennsylvania for the development of a rooftop observatory.

An increase of $1,500,000 for the University of Missouri's Center for Gender Physiology for infrastructure and research needs.

An increase of $3,500,000 for the University of Missouri-Rolla for a Center of Excellence for Aerospace Propulsion Particulate Emissions Reduction.

An increase of $1,500,000 for Montana State University in Bozeman, Montana for space science and engineering laboratory.

An increase of $1,000,000 for the University of Montana in Missoula, Montana for the Northern Rockies Center for space privatization of microgravity research.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$23,700,000
Budget estimate, 2003	24,600,000
Committee recommendation	24,600,000

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 $24,600,000 for fiscal year 2003, the same as the President's budget request. The Committee commends the NASA IG's diligence in addressing issues of fraud and abuse.

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 largely, in prior-year appropriation acts.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

	Direct loan limitation	Administrative expenses
Appropriations, 2002	$1,500,000	$309,000
Budget estimate, 2003	1,500,000	309,000
Committee recommendation	1,500,000	309,000

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). The CLF is a mixed-ownership Government corporation managed by the National Credit Union Administration Board and 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 CLF, 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 CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited 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 accommodate 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 budget request of limiting administrative expenses for the Central Liquidity Fund [CLF] to $309,000 in fiscal year 2003. The Committee recommends a limitation of $1,500,000 for the principal amount of new direct loans to member credit unions. These amounts are the same as the budget request. Funds provided for administrative expenses are the same as the fiscal year 2002 enacted level.

The Committee directs the National Credit Union Administration (NCUA) to continue to provide reports on the lending activities under CLF. This information should be provided to the Committee on a quarterly basis through September 2003.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2002	$1,000,000
Budget estimate, 2003	1,000,000
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund Program (CDRLF) was established in 1979 to assist officially designated "low-income" credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in 5 years, although shorter repayment periods may be considered. Technical assistance grants are also available to low-income credit unions. Until fiscal year 2001, only earnings generated from the CDRLF were available to fund technical assistance grants. Grants are available for improving operations as well as addressing safety and soundness issues.

COMMITTEE RECOMMENDATION

The Committee provides $1,000,000 for loans and technical assistance to community development credit unions. These amounts are equal to the budget request and the fiscal year 2001 enacted level.

The Committee's recommendation includes $700,000 for loans to community development credit unions and $300,000 for technical assistance to low-income and community development credit unions.

NATIONAL SCIENCE FOUNDATION

Appropriations, 2002	[1] $4,789,240,000
Budget estimate, 2003	5,028,220,000
Committee recommendation	5,353,360,000

[1] Includes $300,000 in fiscal year 2002 emergency supplemental funding.

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 research and education programs that promote the progress of science and engineering in the United States. The Foundation supports research and education in all major scientific and engineering disciplines, through grants, contracts, and other forms of assistance awarded to more than 2,000 colleges and universities, nonprofit organizations, small businesses, and other organizations in all parts of the United States. The Foundation also supports international programs and unique, large scale, national user research facilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $5,353,360,000 for the National Science Foundation in fiscal year 2003. This represents an increase of $564,120,000 over the fiscal year 2002 level and $325,140,000 more than the budget request. The Committee was guided in its allocation of resources for the Foundation by two central considerations.

First, productivity growth, powered by new knowledge and technological innovation, makes the economic benefits of a comprehensive fundamental research and education enterprise abundantly clear. New products, processes, entire new industries, and the employment opportunities that result, depend upon rapid advances in research and their equally rapid movement into the marketplace. In today's global economy, continued progress in science and engineering and the transfer of the knowledge developed is vital if the United States is to maintain its competitiveness.

In addition, the events of September 11 and subsequent anthrax attacks demonstrate that a nation strong in science and technology can respond rapidly and effectively to crises and changing national circumstances. Fundamental research across the full spectrum of science and engineering disciplines in an appropriately balanced manner, together with the highly skilled workforce that makes research and innovation possible, provides the intellectual capital for the nation to draw upon in times of need. A growing stock of knowledge focused on the frontiers of research increases the options available for response. A diverse, internationally competitive, and globally engaged science and engineering workforce accelerates the development of new technologies to meet unexpected needs.

The Committee reiterates its long standing requirement for reprogramming, initiation of new programs or activities, and reorganizations. The Committee directs the Foundation to notify the chairman and ranking minority member prior to each reprogramming of funds in excess of $250,000 between programs, activities, or elements unless an alternate amount is specified elsewhere by

the Committee. The Committee expects to be notified of reprogramming actions which involve less than the above-mentioned amount if such actions would have the effect of changing the 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.

RESEARCH AND RELATED ACTIVITIES

Appropriations, 2002	[1] $3,598,640,000
Budget estimate, 2003	3,783,210,000
Committee recommendation	4,131,630,000

[1] Includes $300,000 in fiscal year 2002 emergency supplemental funding.

PROGRAM DESCRIPTION

The research and related activities appropriation addresses the Foundation's three strategic outcomes: people—developing a diverse, internationally competitive and globally-engaged workforce of scientists, engineers, and well-prepared citizens; ideas—enabling discovery across the frontiers of science and engineering, connected to learning, innovation, and service to society; and tools—providing broadly accessible, state-of-the-art information bases and shared research and education tools. Research activities will contribute to the achievement of these outcomes through expansion of the knowledge base; integration of research and education; stimulation of knowledge transfer among academia and the public and private sectors; and bring 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 and related logistical support and integrative activities.

COMMITTEE RECOMMENDATION

The Committee recommends $4,131,630,000 for research and related activities. This amount is $532,990,000 or 15 percent more than the fiscal year 2002 level and $348,420,000 more than the budget request. This funding level is consistent with proposals to double the NSF research budget over 5 years.

The Committee is concerned that the size and number of awards made by the Foundation are far below what is needed to enable our research scientists and engineers to meet the challenges presented by our global competitors. The Committee urges the Foundation, to the maximum extent possible, to use the growth in resources being provided to make a marked and substantial increase in the average award, as well as increase the number of awards being made with special efforts made to include those individuals and institutions not well represented in the Nation's research enterprise.

The Committee's recommendation includes a total of $616,940,000 for computer and information science and engineering. This is $90,000,000 more than the request of which $80,000,000 is for information technology research and $10,000,000

is for the terascale computing systems. Within the additional funds provided for information technology research, the Committee directs NSF to provide $25,000,000 for cyber security research for individual investigators and multidisciplinary research centers and $15,000,000 is for advanced broadband research.

The Nation has become vulnerable to cyber-attacks, in part, because critical aspects of daily life rely on computer systems, networks, and the internet (e.g., water systems and electricity grids). Currently available technologies provide inadequate protection, yet relatively little research is being conducted to develop new approaches to protecting computer systems and networks. The private sector has had little incentive to invest in cyber security because the market emphasizes only speed and convenience. The Federal Government has not filled the gap, but instead has chronically underinvested in cyber security. As a result, what little research has been done on cyber security has been incremental, leaving the basic approaches to cyber security unchanged for decades. As a field with relatively modest support, few researchers, and minimal attention, cyber security fails to attract the interest of students, perpetuating the problems of a lack of trained personnel. Therefore, the Committee is providing $25,000,000 to be used to strengthen support for research in computer and network security. The Committee expects these funds will be used to support both individual investigators and a number of interdisciplinary research centers in computer and network security research.

The universal availability of broadband in the United States will increase productivity, create high-wage jobs, and expand access to healthcare and life-long learning. The Committee believes that the NSF and research community can and should do more to support this national imperative along the lines suggested in the recent National Academy of Sciences report, Broadband: Bringing Home the Bits. In particular, R&D on innovative "last mile" technologies (both wired and wireless) could significantly reduce the cost of national broadband deployment, particularly in remote and rural areas. NSF should use the additional $15,000,000 being provided to support research and education activities in this area.

The Committee is aware of the recent report by the NSF's Blue-Ribbon Advisory Committee on Cyber-infrastructure. This advisory Committee called for a significant expansion in high-performance computing, optical networking, software applications for "e-science," and large-scale digital libraries. Such an initiative, if focused around a number of critically important challenges, could accelerate the pace of discovery in all science and engineering disciplines, and serve as a "multiplier" for the Government's substantial investment in R&D. The Committee urges NSF to give this careful consideration in developing the fiscal year 2004 proposal.

The Committee's recommendation provides $567,980,000 for engineering. This is $80,000,000 more than the request. These additional funds are to strengthen the nanoscience and engineering initiative in the engineering directorate.

The Committee is providing $1,056,570,000 for the mathematical and physical sciences. The Committee has increased the fiscal year 2003 request for the physics, chemistry, astronomy, materials research and multidisciplinary research subactivities by a total of

$135,000,000. The Committee remains concerned that support for the physical sciences has not kept pace with the growth in other disciplines. Yet it is the sustained investment in these disciplines that has enabled the development of today's advanced weapon systems, state-of-the-art medical diagnostic equipment, and improved communications systems. The Committee's recommendation will strengthen the core research and instrumentation programs in these subactivities as well as adequately support the national astronomy centers in West Virginia, New Mexico, and elsewhere, and other NSF physical science facilities. The Committee also directs NSF to provide adequate support for preparatory work for the Giant Segmented Mirror Telescope (GSMT). The GSMT was one of the highest priorities recommended in the National Academy of Sciences Astronomy and Astrophysics Committee's decadal survey.

The Committee also encourages NASA and NSF to work together on the Large-aperture Synoptic Survey Telescope (LSST). The LSST was highly recommended in the recent National Academy of Sciences decadal survey and is designed to survey the visible sky to a much fainter level than that reached by existing surveys. It is expected to catalog 90 percent of the near-Earth objects larger than 300 meters and assess the threat they pose to life on Earth. Its ability to find and catalog primitive objects in the Kuiper Belt is expected to significantly aid in the success of NASA's Pluto-Kuiper Belt Explorer mission.

From the additional funds provided for the mathematical and physical sciences directorate, the Committee is adjusting the request by providing an additional $7,300,000 for the national radio astronomy observatories, $4,200,000 for the national optical astronomy observatories, and $14,500,000 for the Indiana University Cyclotron Facility, the National High Magnetic Field Laboratory, the Wisconsin Synchrotron Radiation Center, and other facilities. The Committee's recommendation also includes the $4,000,000 requested for the continuation of the Telescope System Instrumentation Program which was initiated by the Committee in fiscal year 2002.

The Committee is recommending that the mathematical sciences be funded at $162,000,000, an increase of $10,000,000 over the fiscal year 2002 level. With this appropriation, the mathematical sciences will have grown by over 50 percent since fiscal year 2000. Consistent with the NSF budget request, nearly $13,000,000 in additional support for interdisciplinary mathematics is available in the other research and education directorates within the Foundation. The Committee directs NSF to provide a report documenting what has been accomplished as a result of this growth in mathematics research. The report should be submitted to the Committee by January 31, 2003.

Within the request for the biological sciences activity, the Committee is providing $85,000,000 to support ongoing research on the genomics of plants of major economic importance. With this support, researchers will be able to focus on functional genomics, large-scale sequencing, and developing tools and resources for plant genomics studies. Also within the biological sciences activity, the Committee is providing $26,000,000 for biocomplexity research;

this represents a 53 percent increase over the comparable fiscal year 2002 level.

The Committee encourages the NSF to continue its participation in the interagency microbial genomics sequencing program, especially as it relates to sequencing of plant pathogens, and to support comparable interagency efforts on sequencing the genomes of domesticated animals. In terms of the plant genome program, the Committee continues to be interested in the sequencing of economically important crops, such as corn, wheat, and barley. Accordingly, the Committee directs the NSF to fund the sequencing of one or more of the crops that are the most economically important to the United States and expects the NSF to complete the sequencing of at least one of the crops by 2004. To accomplish this objective, the Committee expects the Foundation to work with the large-scale sequencing centers involved in sequencing the human genome, the Department of Energy Joint Genome Institute, the Department of Agriculture, and other large-scale sequencing centers to ensure that the funding is utilized in the most cost-effective and timely manner. Finally, the Committee is interested in developing research partnerships supporting plant biotechnology targeted to the needs of the developing world and encourages NSF to work with the U.S. Agency for International Development in creating opportunities for U.S. research institutions to partner with research institutions in a developing country.

The Committee's recommendation provides $684,490,000 for geosciences research. This is $75,020,000 more than the fiscal year 2002 level. The Committee has rejected the Administration's proposal to transfer programs from NOAA, EPA and the USGS. In lieu of the transfer, the Committee is directing that the funds provided be used to augment high priority research activities in the earth, atmospheric, and ocean sciences. The Committee supports the efforts being made to develop multi-year strategic plans in the atmospheric sciences and in ocean drilling. As a result, the Committee expects NSF will use $15,000,000 of the increase to augment support for the national user facilities in this directorate and move forward on the integrated ocean drilling program.

The Committee supports the important research being performed at the International Arctic Research Center (IARC). The Committee understands that the cooperative agreement between the Foundation and the International Arctic Research Center (IARC) will expire on April 30, 2003. Accordingly, the Committee urges NSF to work with the Center and the University of Alaska to renew the cooperative agreement.

The Committee provided funds in fiscal year 2001 to begin the design and model testing of a vessel to replace the R/V Alpha Helix. While NSF has made some progress in the design and model testing stages, the Committee is concerned that it may not be developed adequately for its consideration in the fiscal year 2004 budget. The Committee, therefore, urges the Foundation to expedite the completion of the design of the vessel and submit the proposal to the Board for its consideration so that the next phase of construction can go forward in fiscal year 2004.

The Committee has also increased the request for U.S. polar research programs by $10,000,000 to support priority research and infrastructure needs.

As a key part of the Administration's climate change research initiative, the Committee recognizes the Nation needs substantially better information on the current and future state of the ocean and its role in environmental change. Adequate predictive capability is a prerequisite to the development of sound policies at the national and regional level, policies ranging from maritime commerce to public health, from fisheries to safety of life and property, from climate change to national security. The Committee urges NSF to move ahead to support an ocean observatories initiative that is tightly integrated with the Administration's interagency climate change science program.

The Committee supports the fiscal year 2003 budget request for the social, behavioral and economic sciences. Within this amount, the Committee provides $10,000,000 for the children's research initiative.

The Committee is providing an additional $50,000,000 to augment the request for the major research instrumentation program. The Committee reiterates its long-standing concern about the infrastructure needs of developing institutions, historically black colleges and universities; and other minority-serving colleges and universities. The Committee directs NSF to use these additional funds to support the merit-based instrumentation and infrastructure needs of these institutions.

The Committee's recommendation includes an additional $10,000,000 for the innovation partnership program. With these funds, NSF is to support competitive, merit-based partnerships, consisting of States, local and regional entities, industry, academic institutions, and other related organizations for innovation-focused local and regional technology development strategies.

MAJOR RESEARCH EQUIPMENT AND FACILITIES CONSTRUCTION

Appropriations, 2002	$138,800,000
Budget estimate, 2003	126,280,000
Committee recommendation	79,280,000

PROGRAM DESCRIPTION

The major research equipment and facilities construction appropriation supports the acquisition, procurement, construction, and commissioning of unique national research platforms, research resources and major research equipment. Projects supported by this appropriation will push the boundaries of technology and will offer significant expansion of opportunities, often in new directions, for the science and engineering community. Preliminary design and development activities, and on-going operations and maintenance costs of the facilities are provided through the research and related activities appropriation account.

COMMITTEE RECOMMENDATION

The Committee recommends $79,280,000 for major research equipment and facilities construction. Support for the terascale computing systems has been provided in the Research and Related

Activities Appropriations Account. Within this account, the Committee's recommendation includes funding for the following projects:

$20,000,000 for Earthscope; $30,000,000 for the Atacama Large Millimeter Array telescope; $9,720,000 for the Large Hadron Collider; $13,560,000 for the Network for Earthquake Engineering Simulation; and $6,000,000 for South Pole Station.

The Committee remains concerned about the Foundation's management of large scale construction projects and the priority setting process used to select projects to be funded. The Committee received a report from NSF required by Public Law 107–73 which addressed a number of issues of concern to the Committee. However neither the report nor the budget justifications addressed the way in which criteria are used by the agency and the National Science Board in setting priorities among new and potential new starts. A recent audit by the Inspector General identified a number of issues in both the financial management and project management of previously funded projects. In addition, the National Academy of Sciences has recently been asked by the Committee and NSF's authorizing committees to assist in the development of a process for prioritizing projects to be funded out of this account. Accordingly, the Committee directs NSF to provide $750,000 to support the Academy's work on this matter. These funds should be made available from resources used for Planning and Evaluation.

The Committee also supports provisions under consideration by the authorizing committees to establish a more transparent process for the establishment of priorities with respect to the funding of major research equipment and facilities construction. The Committee believes a more open and understandable process, which includes National Science Board and NSB Committee meetings, are important aspects of such a priority setting process.

In addition, despite repeated concerns expressed by the Congress and the Inspector General, NSF has not addressed adequately the management and funding problems associated with large research facilities funded through the major research equipment and facilities construction account (formerly named the major research equipment or MRE account). The Inspector General's May 1, 2002 report found that the lack of adequate guidance "have allowed NSF to use multiple appropriation accounts to fund the acquisition and construction costs of major research equipment and facilities, and led to inconsistencies in the types of costs funded through the MRE account." This practice has led to the use of funds from the research and related activities account to pay for cost overruns and scope increases of large facility projects without adequate notification and consultation with the Committee. Accordingly, the Committee directs NSF to include in its fiscal year 2003 operating plan to the Committee a report that details approved budgeted and actual expenditure information on each individual large research facility projects approved by the Congress. The report should include information on the amount of funds approved by the Congress from its inception by year, the amount of actual funds spent on the project by year, and a breakdown of the budgeted and actual expenditures by appropriation account. In addition, the Committee notes the findings and recommendations contained in the OIG re-

port pertaining to NSF's cost accounting system. As a result, the Committee also directs NSF to address the deficiencies in its cost accounting system to ensure that the system is capable of readily and reliably providing the Foundation and the Committee with information on the actual cost of NSF programs and activities.

The Committee notes that since last year, the Foundation has been recruiting for a Deputy Director for Large Facility Projects. However, NSF has not yet filled this important position. Accordingly, while the Committee has recommended start up funding for the Earthscope project, bill language has been included delaying the obligation of these funds until NSF fills the position of Deputy Director for Large Facility Projects on a permanent basis.

The Committee notes that NSF is proposing to spend $40,000,000 over the next 3 years to develop two National Ecological Observatory Network (NEON) sites. The Committee notes that NSF considers this the first phase of NEON. Information on the full NEON concept, including cost estimates, has yet to be provided to the Committee. In the absence of such information, and without prejudice, the Committee is not prepared to recommend funding for NEON at this time.

The Committee urges NSF to continue moving forward with the IceCube Neutrino Detector Observatory. The technology developed by IceCube's precursor project has proven successful at detecting high-energy atmospheric neutrinos. Continued development is expected to lead to a new era in astronomy in which researchers will have unique opportunities to analyze some of the most distant and significant events in the formulation and evolution of the universe.

EDUCATION AND HUMAN RESOURCES

Appropriations, 2002	$875,000,000
Budget estimate, 2003	908,080,000
Committee recommendation	947,730,000

PROGRAM DESCRIPTION

The education and human resources appropriation supports a comprehensive set of programs across all levels of education in science, technology, engineering and mathematics (STEM). The appropriation supports activities that unite school districts with institutions of higher learning to improve precollege education. Other precollege activities include development of the next generation of precollege STEM education leaders; instructional materials; and the stem instructional workforce. Undergraduate activities support curriculum, laboratory, and instructional improvement; expand the STEM talent pool through scholarships and attracting STEM participants to teaching; augment advanced technological education at 2-year colleges; and develop dissemination tools. Graduate support is directed to research and teaching fellowships and traineeships, and linking precollege systems with higher education to improve the instructional workforce. Programs also seek to broaden the participation of groups underrepresented in the STEM enterprise; build State and regional capacity to compete successfully for research funding; and promote informal science education. Ongoing evaluation efforts and research on learning strengthen the base for these programs. In addition to this appropriation, the Foundation

supports private-public K–12 partnerships and undergraduate scholarships in high-need fields through H–1B Nonimmigrant Petitioner Fees provided through Public Law 105–277, as amended.

COMMITTEE RECOMMENDATION

The Committee has recommended $947,730,000 for this account. This amount is $72,730,000 more than the fiscal year 2002.

The Committee provided $160,000,000 last year to start the new Math and Science Partnership program. It appears that NSF will not be able to obligate all of these funds in fiscal year 2002 and as much as $30,000,000 may be carried over into fiscal year 2003. Therefore the Committee is providing $120,000,000 in new budget authority for this program in fiscal year 2003. Together with the estimated carryover, this will provide up to $150,000,000 for this program in fiscal year 2003.

To support additional K–12 math and science education efforts, the Committee is also providing a total of $223,550,000 for elementary, secondary, and informal science education, of which $37,460,000 is from the H–1B nonimmigrant petitioner fees.

The Committee is aware of the unique and important relationship between historically black colleges and universities (HBCUs) and their surrounding communities, especially with schools located in some of the nation's most underserved, economically disadvantaged, and isolated areas, and recognizes that there is a natural linkage between school districts with high minority enrollments and HBCUs. The Committee expects the National Science Foundation will take explicit actions to include HBCUs among the set of institutions of higher education participating in its efforts to increase this nation's supply of math and science teachers.

Recent data suggest a number of important trends regarding the development of the Nation's high-tech workforce. Student interest has shifted markedly from the physical sciences and mathematics to the life sciences and computer science. This trend seems to parallel Federal funding trends for research support. In addition, in a number of fields, the percentage of degrees awarded to foreign students has been steadily increasing. At the same time, the demand for jobs requiring technical expertise is growing. Given the demands of our knowledge-based economy, the United States needs to increase the number and diversity of our scientific and technical workforce and facilitate an understanding of basic scientific principles among non-scientists. For this reason, the Committee has focused on a set of NSF programs that relate to education and training at all levels of math and science education.

The Committee has increased the budget request for NSF's graduate and professional education programs by $25,000,000. These additional funds are to be used to increase graduate student stipends in the fellowship programs and the traineeship program to a level of $30,000 per year. The Committee recognizes that graduate stipends in science and engineering need to be made more attractive to students to compensate for the cost of education and mounting student debt, and to offset opportunities for higher salaries offered by employers to science and engineering baccalaureate degree holders.

The Informal Science Education program, which provides support to museums and science centers, is funded at $70,000,000. This represents the first increase in this program in 3 years.

The undergraduate "tech talent" expansion program is increased by $20,000,000. The Committee is informed that nearly $70,000,000 was requested by the proposals submitted for the fiscal year 2002 competition in which only $5,000,000 was available. The Committee is also providing an additional $5,000,000 to increase the Advanced Technological Education program. This important NSF program supports undergraduate science education activities at the Nation's community colleges. The Committee strongly encourages NSF to develop a robust and comprehensive plan for undergraduate science and engineering education that builds on the "tech talent" program and other NSF undergraduate activities.

The Committee is recommending an increase for the HBCU-Research University Science & Technology (THRUST) initiative within the Centers of Research Excellence in Science and Technology (CREST) program of $10,000,000. Eligibility for THRUST should not exclude CREST recipients, but funds provided in fiscal year 2003 should be used to first fully-fund multi-year awards to recipients of THRUST awards in the program's first year.

The Committee does not agree with the budget request to reduce funding for the Louis Stokes Alliances for Minority Participation program (LSAMP) or the Historically Black Colleges and Universities—Undergraduate Program (HBCU–UP). Both of these programs play important roles in attracting and retaining minorities into science and engineering. In lieu of the reductions proposed by the Administration, the Committee is adding $5,000,000 to LSAMP and $5,000,000 to HBCU–UP.

The Committee has included $110,000,000 for the Experimental Program to Stimulate Competitive Research (EPSCoR) in this account in order to allow full implementation of the infrastructure awards as well as continuation of other activities. The Committee's recommendation is $35,000,000 more than the budget request and reverses the Administration's proposed $10,000,000 reduction from the fiscal year 2002 level. These funds are necessary due to the increase in program eligibility. In addition, the Committee notes that at least $30,000,000 will be available for EPSCoR activities from the research programs through their share of co-funding.

SALARIES AND EXPENSES

Appropriations, 2002	$170,040,000
Budget estimate, 2003	202,950,000
Committee recommendation	182,160,000

PROGRAM DESCRIPTION

The salaries and expenses appropriation provides funds for staff salaries, benefits, travel, training, rent, advisory and assistance services, communications and utilities expenses, supplies, equipment, and other operating expenses necessary for management of the agency's research and education activities.

COMMITTEE RECOMMENDATION

The Committee is providing $182,160,000 for salaries and expenses. This represents an increase of 7 percent over the fiscal year 2002 level. In light of the Committee's rejection of the transfer of programs from NOAA, EPA, and the U.S. Geological Survey, the Committee has not provided the resources requested for the 17 full-time equivalents that had been proposed in connection with the program transfers. The balance of the adjustment to the request should be taken at the Foundation's discretion.

The Committee is supportive of the NSF's need for additional FTEs. From 1990 to 2000, the Foundation's budget doubled while its FTE level declined from 1202 to 1153. However, the Committee notes that little detail regarding the distribution of the additional FTEs was included in the fiscal year 2003 budget request. Therefore, the Committee directs NSF to provide the Committee with a detailed staffing plan for fiscal year 2003 by September 3, 2002.

NATIONAL SCIENCE BOARD

Appropriations, 2002	.....
Budget estimate, 2003	.....
Committee recommendation	$3,500,000

PROGRAM DESCRIPTION

The National Science Board is the governing body of the National Science Foundation. The Board is composed of 24 members, appointed by the President and confirmed by the Senate. The Board is charged with serving as adviser to the President and Congress on policy matters related to science and engineering. By law, the Board establishes the policies of the National Science Foundation, providing oversight of its programs and activities, and approval of its strategic directions and budgets. The Board reviews and approves NSF awards, at levels above its delegation of authority to the NSF Director.

COMMITTEE RECOMMENDATION

The Committee has created a separate account to support the operations and staffing of the National Science Board (NSB). Given the increasing oversight responsibilities of the Board, driven by the growth of the Foundation, the Committee wants to ensure the Board continues to carryout effectively its policy-making and oversight responsibilities. The Committee is providing $3,500,000 to support the operations, activities, expenses, and staffing of the Board. It is the Committee's view that NSB staffing and management decisions are the responsibility and prerogative of the Board. Support for the preparation of Science and Engineering Indicators is provided within the Research and related activities account.

The Committee strongly urges the authorizing committees to provide the Chairman of the National Science Board the permanent authority to hire its own professional staff. The Committee also urges the authorizing committees to consider the merits of having the selection of the Chairman of the Board subject to Senate confirmation to further ensure the independence of the Chairman and the Board.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2002	$7,040,000
Budget estimate, 2003	7,700,000
Committee recommendation	9,060,000

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 is providing $9,060,000 for the Office of Inspector General to support the increasing audit and oversight activities of this office driven by the substantial growth in the size and complexity of NSF research and education programs.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriations, 2002	$105,000,000
Budget estimate, 2003	105,000,000
Committee recommendation	110,000,000

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. These partnership-based organizations are independent, tax-exempt, nonprofit entities and are often known as Neighborhood Housing Services [NHS] or mutual housing associations. Collectively, these organizations are known as the NeighborWorks® network.

Nationally, over 225 NeighborWorks® organizations serve over 2,100 urban, suburban and rural communities in 49 States, the District of Columbia, and Puerto Rico. In fiscal year 2001, the NeighborWorks® network assisted nearly 64,000 families obtain and maintain safe and affordable rental and homeownership housing, where 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 nearly 25 years, 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 mis-

sion of NHSA is to utilize private sector support to replenish local NeighborWorks® organizations' revolving loan funds. These loans are used to back securities that are placed with private sector social investors.

COMMITTEE RECOMMENDATION

The Committee recommends $110,000,000 for the Neighborhood Reinvestment Corporation, $5,000,000 above the budget request and $5,000,000 above the fiscal year 2002 enacted level. The Committee has also included a set-aside of $5,000,000 for the section 8 homeownership program. The administration requested $10,000,000 for this program.

The Committee is including $5,000,000 above the budget request to continue the Corporation's multi-family rental housing initiative. The Corporation has demonstrated success with this program; in fiscal year 2002, 110 extremely low-income people benefited from the production of new multi-family housing units.

The Committee continues to support the work being done by NeighborWorks® members to combat predatory lending practices. The Committee recognizes the importance that financial literacy and homeownership counseling have in preventing people from becoming victims of predatory schemes. The Committee also recognizes that NeighborWorks® members have successfully counseled 50,000 people who went on to become homeowners and encourages the Neighborhood Reinvestment Corporation and its network to expand its education and counseling programs.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 2002	$25,003,000
Budget estimate, 2003	26,480,000
Committee recommendation	26,480,000

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 $26,480,000 for the Selective Service System. This amount is the same as the budget request for fiscal year 2003 and an increase of $1,477,000 over the fiscal year 2002 enacted level.

TITLE IV—GENERAL PROVISIONS

The Committee recommends inclusion of 19 general provisions previously enacted. They are largely standard limitations which have been carried in the VA, HUD, and Independent Agencies appropriations bill in the past.

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: $17,412,464,000.
Fair housing activities: $45,899,000.
HOME Investment Partnerships Program: $1,950,000,000.
Homeless assistance grants: $1,215,025,000.
Community development block grants: $5,050,000,000.
Rural housing and economic development: $25,000,000.

DEPARTMENT OF THE TREASURY

Community Development Financial Institutions Fund: $73,000,000.

CONSUMER PRODUCT SAFETY COMMISSION

Salaries and expenses: $56,767,000.

ENVIRONMENTAL PROTECTION AGENCY

Environmental programs and management: $2,140,469,000.
Science and technology: $796,176,000.
State and tribal assistance grants: $4,009,639,000.
Superfund: $1,272,888,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Salaries and expenses: $239,690,000.
Emergency management planning and assistance: $1,747,214,000.
Emergency food and shelter: $153,000,000.

GENERAL SERVICES ADMINISTRATION

Federal Consumer Information Center: $15,000,000.

NATIONAL SCIENCE FOUNDATION

Research and related activities: $4,131,630,000.
Major research equipment and facilities management: $79,280,000.
Education and human resources: $947,730,000.

Salaries and expenses: $182,160,000.
National Science Board: $3,500,000.
Office of Inspector General: $9,060,000.

COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI OF THE STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 25, 2002, the Committee ordered reported en bloc, S. 2801, an original Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Programs Appropriations bill, 2003; an original District of Columbia Appropriations bill, 2003; an original Transportation and Related Agencies Appropriations bill, 2003; and S. 2797, an original Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations bill, 2003, each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Byrd	
Mr. Inouye	
Mr. Hollings	
Mr. Leahy	
Mr. Harkin	
Ms. Mikulski	
Mr. Reid	
Mr. Kohl	
Mrs. Murray	
Mr. Dorgan	
Mrs. Feinstein	
Mr. Durbin	
Mr. Johnson	
Mrs. Landrieu	
Mr. Reed	
Mr. Stevens	
Mr. Cochran	
Mr. Specter	
Mr. Domenici	
Mr. Bond	
Mr. McConnell	
Mr. Burns	
Mr. Shelby	
Mr. Gregg	
Mr. Bennett	
Mr. Campbell	
Mr. Craig	
Mrs. Hutchison	
Mr. DeWine	

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."

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order 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 [1]	Amount of bill	Committee allocation [1]	Amount of bill
Comparison of amounts in the bill with Committee allocations to its subcommittees, fiscal year 2003: Subcommittee on VA, HUD, and Independent Agencies:				
Discretionary	91,434	91,434	97,314	[2] 96,089
Mandatory	NA	31,576	NA	27,883
Projection of outlays associated with the recommendation:				
2003				[3] 71,670
2004				27,510
2005				9,101
2006				4,899
2007 and future years				4,454
Financial assistance to State and local governments for 2003	NA	34,838	NA	7,919

[1] Levels approved by the Committee on June 27, as modified on July 25, 2002.
[2] Includes outlays from prior-year budget authority.
[3] Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
TITLE I					
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Benefits Administration					
Compensation and pensions	24,944,288	26,524,300	28,949,000	+4,004,712	+2,424,700
Readjustment benefits	2,135,000	2,264,808	2,264,808	+129,808	.....
Veterans insurance and indemnities	26,200	27,530	27,530	+1,330	.....
Veterans housing benefit program fund program account (indefinite)	203,278	339,000	339,000	+135,722	.....
(Limitation on direct loans)	(300)	.....	.....	(−300)	.....
Administrative expenses	164,497	168,207	168,207	+3,710	.....
Administrative savings from prohibiting new Vendee Home Loans	.....	.....	.....	.....	.....
Education loan fund program account	1	1	1	.....	.....
(Limitation on direct loans)	(3)	(3)	(3)	.....	.....
Administrative expenses	64	70	70	+6	.....
Vocational rehabilitation loans program account	72	55	55	−17	.....
(Limitation on direct loans)	(3,301)	(3,626)	(3,626)	(+325)	.....
Administrative expenses	274	289	289	+15	.....
Native American Veteran Housing Loan Program Account	544	558	558	+14	.....
Total, Veterans Benefits Administration	27,474,218	29,324,818	31,749,518	+4,275,300	+2,424,700
Veterans Health Administration					
Medical care	20,656,164	22,243,761	23,389,304	+2,733,140	+1,145,543
Delayed equipment obligation	675,000	500,000	500,000	−175,000	.....
Total	21,331,164	22,743,761	23,889,304	+2,558,140	+1,145,543
(Transfer to general operating expenses)	.....	.....	.....	.....	.....

Medical care cost recovery collections:					
Offsetting receipts	−691,000	−752,000	−1,386,000	−695,000	−634,000
Appropriations (indefinite)	691,000	752,000	1,386,000	+695,000	+634,000
Total available (excludes offsetting receipts)	22,022,164	23,495,761	25,275,304	+3,253,140	+1,779,543
Medical and prosthetic research	371,000	394,373	400,000	+29,000	+5,627
Medical administration and miscellaneous operating expenses	66,731	69,716	69,716	+2,985	.....
Total, Veterans Health Administration	21,768,895	23,207,850	24,359,020	+2,590,125	+1,151,170
Departmental Administration					
General operating expenses	1,195,728	1,256,418	1,256,418	+60,690	.....
Offsetting receipts	.....	.....	.....	.....	.....
Total, Program Level	(1,195,728)	(1,256,418)	(1,256,418)	(+60,690)	.....
(Transfer from medical care)	.....	.....	.....	.....	.....
(Transfer from national cemetery)	.....	.....	.....	.....	.....
(Transfer from inspector general)	.....	.....	.....	.....	.....
Emergency supplemental	2,000	.....	.....	−2,000	.....
National Cemetery Administration	121,169	133,149	133,149	+11,980	.....
(Transfer to general operating expenses)	.....	.....	.....	.....	.....
Office of Inspector General	52,308	55,000	55,000	+2,692	.....
(Transfer to general operating expenses)	.....	.....	.....	.....	.....
Construction, major projects	183,180	193,740	193,740	+10,560	.....
Facility rehabilitation fund	.....	.....	.....	.....	.....
Construction, minor projects	210,900	210,700	210,700	−200	.....
(Transfer to Parking Revolving Fund)	.....	.....	.....	.....	.....
Grants for construction of State extended care facilities	100,000	100,000	100,000	.....	.....
Parking Revolving Fund	4,000	.....	.....	−4,000	.....
Grants for the construction of State veterans cemeteries	25,000	32,000	32,000	+7,000	.....
(Transfer from Parking Revolving Fund)	.....	.....	.....	.....	.....
Total, Departmental Administration	1,894,285	1,981,007	1,981,007	+86,722	.....
Total, title I, Department of Veterans Affairs	51,137,398	54,513,675	58,089,545	+6,952,147	+3,575,870
(By transfer)	.....	.....	.....	.....	.....
(Limitation on direct loans)	(3,604)	(3,629)	(3,629)	(+25)	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003—Continued

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
Consisting of:					
Mandatory	(27,308,766)	(29,155,638)	(31,580,338)	(+4,271,572)	(+2,424,700)
Discretionary	(23,828,632)	(25,358,037)	(26,509,207)	(+2,680,575)	(+1,151,170)
TITLE II					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Public and Indian Housing					
Housing Certificate Fund:					
Direct appropriation	11,440,975	13,326,559	13,212,464	+1,771,489	−114,095
Advance appropriations provided in previous acts	4,200,000	4,200,000	4,200,000	.....	.....
Subtotal, discretionary	15,640,975	17,526,559	17,412,464	+1,771,489	−114,095
(Advance appropriation)	(4,200,000)	(4,200,000)	(4,200,000)	.....	.....
Rescission of unobligated balances: Section 8 recaptures (rescission)	−1,200,000	−1,100,000	−1,100,000	+100,000	.....
Public housing capital fund	2,843,400	2,425,900	2,783,400	−60,000	+357,500
Public housing operating fund	3,494,868	3,530,000	3,530,000	+35,132	.....
Subtotal	6,338,268	5,955,900	6,313,400	−24,868	+357,500
Operation Safe Home (rescission)	−11,000	.....	.....	+11,000	.....
Revitalization of severely distressed public housing (HOPE VI)	573,735	574,000	574,000	+265	.....
Native American housing block grants	648,570	646,594	648,570	.....	+1,976
Native Hawiian housing block grant	.....	10,000	.....	.....	−10,000
Indian housing loan guarantee fund program account	5,987	5,000	5,000	−987	.....
(Limitation on guaranteed loans)	(234,283)	(197,243)	(197,243)	(−37,040)	.....
Native Hawaiian housing loan guarantee fund	1,000	1,035	1,000	.....	−35
(Limitation on guaranteed loans)	(40,000)	(39,712)	(39,712)	(−288)	.....

Total, Public and Indian Housing	21,997,535	23,619,088	23,854,434	+1,856,899	+235,346
Community Planning and Development					
Housing opportunities for persons with AIDS	277,432	292,000	292,000	+14,568	.....
Rural housing and economic development	25,000	.....	25,000	.....	+25,000
Empowerment zones/enterprise communities	45,000	.....	30,000	−15,000	+30,000
Community development block grants	5,000,000	4,715,500	5,050,000	+50,000	+334,500
Community development fund (emergency supplemental)	2,000,000	.....	.....	−2,000,000	.....
Section 108 loan guarantees:					
(Limitation on guaranteed loans)	(608,696)	(275,000)	(608,696)	.....	(+333,696)
Credit subsidy	14,000	6,285	14,000	.....	+7,715
Administrative expenses	1,000	1,000	1,000	.....	.....
Brownfields redevelopment	25,000	25,000	25,000	.....	.....
HOME investment partnerships program	1,846,040	2,084,100	1,950,000	+103,960	−134,100
Homeless assistance grants	1,122,525	1,129,500	1,215,025	+92,500	+85,525
Shelter Plus Care Renewals	.....	.....	.....	.....	.....
Total, Community planning and development	10,355,997	8,253,385	8,602,025	−1,753,972	+348,640
Housing Programs					
Housing for special populations	1,024,151	1,024,151	1,033,801	+9,650	+9,650
Housing for the elderly	(783,286)	(773,636)	(783,286)	.....	(+9,650)
Housing for the disabled	(240,865)	(250,515)	(250,515)	(+9,650)	.....
Housing counseling assistance	.....	35,000	.....	.....	−35,000
Rental Housing assistance (rescission)	.....	−100,000	−100,000	−100,000	.....
Rental Housing assistance	.....	.....	100,000	+100,000	+100,000
Manufactured housing fees trust fund	13,566	13,000	13,000	−566	.....
Offsetting collections	−13,566	−13,000	−13,000	+566	.....
Savings from canceling S. 1029	−8,000	.....	.....	+8,000	.....
Federal Housing Administration					
FHA—Mutual mortgage insurance program account:					
(Limitation on guaranteed loans)	(160,000,000)	(160,000,000)	(160,000,000)	.....	.....
(Limitation on direct loans)	(250,000)	(50,000)	(250,000)	.....	(+200,000)
Administrative expenses	336,700	347,829	347,829	+11,129	.....
Negative subsidy	−2,323,000	−2,753,000	−2,753,000	−430,000	.....
Administrative contract expenses	160,000	85,720	85,720	−74,280	.....
Additional contract expenses	1,000	1,000	1,000	.....	.....
Streamlined down payment requirements	.....	.....	.....	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003—Continued

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
FHA—General and special risk program account:					
(Limitation on guaranteed loans)	(21,000,000)	(21,000,000)	(21,000,000)	.....	.....
(Limitation on direct loans)	(50,000)	(50,000)	(50,000)	.....	.....
Administrative expenses	216,100	223,716	223,716	+7,616	.....
Negative subsidy	−225,000	−225,000	−225,000	.....	.....
Subsidy	15,000	15,000	15,000	.....	.....
Non-overhead administrative expenses	144,000	93,780	93,780	−50,220	.....
Additional contract expenses	4,000	4,000	4,000	.....	.....
Total, Federal Housing Administration	−1,671,200	−2,206,955	−2,206,955	−535,755	.....
Government National Mortgage Association (GNMA)					
Guarantees of mortgage-backed securities loan guarantee program account:					
(Limitation on guaranteed loans)	(200,000,000)	(200,000,000)	(200,000,000)	.....	.....
Administrative expenses	9,383	10,343	10,343	+960	.....
Offsetting receipts	−382,000	−358,000	−358,000	+24,000	.....
Policy Development and Research					
Research and technology	50,250	47,000	47,000	−3,250	.....
Fair Housing and Equal Opportunity					
Fair housing activities	45,899	45,899	45,899	.....	.....
Office of Lead Hazard Control					
Lead hazard reduction	109,758	126,000	201,000	+91,242	+75,000
Management and Administration					
Salaries and expenses	556,067	510,299	510,299	−45,768	.....
Transfer from:					
Limitation on FHA corporate funds	(530,457)	(548,202)	(548,202)	(+17,745)	.....

GNMA	(9,383)	(10,343)	(10,343)	(+960)	.....
Community Development Loan Guarantees Program	(1,000)	(1,000)	(1,000)	.....	.....
Native American Housing Block Grants	(150)	(150)	(150)	.....	.....
Indian Housing Loan Guarantee Fund Program	(200)	(200)	(200)	.....	.....
Native Hawaiian Housing Loan Guarantee Fund Program	(35)	(35)	(35)	.....	.....
Total, Salaries and expenses	(1,097,292)	(1,070,229)	(1,070,229)	(−27,063)	.....
Office of Inspector General	66,555	74,341	74,341	+7,786	.....
(By transfer, limitation on FHA corporate funds)	(22,343)	(23,343)	(23,343)	(+1,000)	.....
(By transfer from Public Housing Oper Subsidy)	(5,000)	.....	.....	(−5,000)	.....
Total, Office of Inspector General	(93,898)	(97,684)	(97,684)	(+3,786)	.....
Emergency supplemental	1,000	.....	.....	−1,000	.....
Consolidated fee fund (rescission)	−6,700	−8,000	−8,000	−1,300	.....
Office of Federal Housing Enterprise Oversight	27,000	30,000	30,000	+3,000	.....
Offsetting receipts	−27,000	−30,000	−30,000	−3,000	.....
Working capital fund	.....	276,300	276,737	+276,737	+437
Total, title II, Department of Housing and Urban Development (net)	32,148,695	31,348,851	32,082,924	−65,771	+734,073
Appropriations	(27,165,395)	(28,356,851)	(28,990,924)	(+1,825,529)	(+634,073)
Rescissions	(−1,217,700)	(−1,208,000)	(−1,108,000)	(+109,700)	(+100,000)
Emergency appropriations	(2,001,000)	.....	.....	(−2,001,000)	.....
Advance provided in previous acts	(4,200,000)	(4,200,000)	(4,200,000)	.....	.....
(Limitation on direct loans)	(300,000)	(100,000)	(300,000)	.....	(+200,000)
(Limitation on guaranteed loans)	(381,882,979)	(381,511,955)	(381,845,651)	(−37,328)	(+333,696)
(Limitation on corporate funds)	(563,568)	(583,273)	(583,273)	(+19,705)	.....
TITLE III					
INDEPENDENT AGENCIES					
American Battle Monuments Commission					
Salaries and expenses	35,466	30,400	30,400	−5,066	.....
Chemical Safety and Hazard Investigation Board					
Salaries and expenses	7,850	7,850	7,850	.....	.....
Department of the Treasury					
Community Development Financial Institutions					
Community development financial institutions fund program account	80,000	68,000	73,000	−7,000	+5,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003—Continued

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
Interagency Council on the Homeless					
Operating expenses	.....	.....	1,500	+1,500	+1,500
Consumer Product Safety Commission					
Salaries and expenses	55,200	56,767	56,767	+1,567	.....
Corporation for National and Community Service					
National and community service programs operating expenses	401,980	631,342	515,342	+113,362	−116,000
Office of Inspector General	5,000	5,000	6,000	+1,000	+1,000
Total	406,980	636,342	521,342	+114,362	−115,000
U.S. Court of Appeals for Veterans Claims					
Salaries and expenses	13,221	14,326	14,612	+1,391	+286
Department of Defense—Civil					
Cemeterial Expenses, Army					
Salaries and expenses	22,537	24,445	24,445	+1,908	.....
Department of Health and Human Services					
National Institute of Health					
National Institute of Environmental Health Sciences	70,228	74,471	76,074	+5,846	+1,603
Emergency supplemental	10,500	.....	.....	−10,500	.....
Centers for Disease Control and Prevention					
Agency for Toxic Substances and Disease Registry					
Toxic substances and environmental public health	78,235	77,388	81,000	+2,765	+3,612

Total, Department of Health and Human Services	158,963	151,859	157,074	−1,889	+5,215
Environmental Protection Agency					
Science and Technology	698,089	670,008	710,008	+11,919	+40,000
Transfer from Hazardous Substance Superfund	36,891	111,168	86,168	+49,277	−25,000
Subtotal, Science and Technology	734,980	781,176	796,176	+61,196	+15,000
Emergency supplemental	90,308	.....	.....	−90,308	.....
Environmental Programs and Management	2,054,511	2,047,704	2,140,469	+85,958	+92,765
Emergency supplemental	39,000	.....	.....	−39,000	.....
Office of Inspector General	34,019	35,325	35,325	+1,306	.....
Transfer from Hazardous Substance Superfund	11,867	12,742	12,742	+875	.....
Subtotal, OIG	45,886	48,067	48,067	+2,181	.....
Buildings and facilities	25,318	42,918	42,918	+17,600	.....
Hazardous Substance Superfund	1,170,000	1,272,888	1,272,888	+102,888	.....
Delay of obligation	100,000	.....	.....	−100,000	.....
Transfer to Office of Inspector General	−11,867	−12,742	−12,742	−875	.....
Transfer to Science and Technology	−36,891	−111,168	−86,168	−49,277	+25,000
Subtotal, Hazardous Substance Superfund	1,221,242	1,148,978	1,173,978	−47,264	+25,000
Emergency supplemental	41,292	.....	.....	−41,292	.....
Leaking Underground Storage Tank Program	73,000	72,313	72,313	−687	.....
Oil spill response	15,000	15,581	15,581	+581	.....
State and Tribal Assistance Grants	2,658,900	2,305,500	2,875,804	+216,904	+570,304
Categorical grants	1,074,376	1,158,276	1,133,835	+59,459	−24,441
Subtotal, STAG	3,733,276	3,463,776	4,009,639	+276,363	+545,863
Emergency supplemental	5,000	.....	.....	−5,000	.....
Environmental services	.....	.....	.....	.....	.....
Total, EPA	8,078,813	7,620,513	8,299,141	+220,328	+678,628
Executive Office of the President					
Office of Science and Technology Policy	5,267	5,368	5,368	+101	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003—Continued

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
Council on Environmental Quality and Office of Environmental Quality	2,974	3,031	3,031	+57	.....
Total	8,241	8,399	8,399	+158	.....
Federal Deposit Insurance Corporation					
Office of Inspector General (transfer)	(33,660)	(30,848)	(30,848)	(−2,812)	.....
Federal Emergency Management Agency					
Disaster relief	664,000	1,842,843	342,843	−321,157	−1,500,000
(Transfer to EMPA)	(−2,900)	(−2,900)	(−2,900)	.....	.....
(Transfer to OIG)	.....	(−21,577)	(−21,577)	(−21,577)	.....
Contingent emergency appropriations	1,500,000	.....	1,500,000	.....	+1,500,000
Emergency supplemental	4,356,871	.....	.....	−4,356,871	.....
Subtotal	6,520,871	1,842,843	1,842,843	−4,678,028	.....
National pre-disaster mitigation fund	.....	300,000	25,000	+25,000	−275,000
Disaster assistance direct loan program account:					
State share loan	405	.....	.....	−405	.....
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	.....	.....
Administrative expenses	543	557	557	+14	.....
Salaries and expenses	225,874	209,163	209,163	−16,711	.....
Defense function	40,240	30,527	30,527	−9,713	.....
Subtotal	266,114	239,690	239,690	−26,424	.....
Emergency supplemental	25,000	.....	.....	−25,000	.....
Office of Inspector General	10,303	11,549	17,754	+7,451	+6,205
(Transfer from Disaster relief)	.....	(21,577)	(21,577)	(+21,577)	.....
Emergency management planning and assistance	617,310	3,728,214	1,728,214	+1,110,904	−2,000,000

Defense function	20,000	19,000	19,000	−1,000	.....
Subtotal	637,310	3,747,214	1,747,214	+1,109,904	−2,000,000
(Transfer from Disaster relief)	(2,900)	(2,900)	(2,900)	.....	.....
Emergency supplemental	220,000	.....	.....	−220,000	.....
Radiological emergency preparedness fund	−1,000	−1,000	−1,000	.....	.....
Emergency food and shelter program	140,000	153,000	153,000	+13,000	.....
Flood map modernization fund	.....	300,000	300,000	+300,000	.....
National Flood Insurance Fund:					
(Limitation on administrative expenses):					
Salaries and expenses	28,798	32,393	32,393	+3,595	.....
Flood mitigation	76,381	77,666	77,666	+1,285	.....
(Transfer out)	(−20,000)	(−20,000)	(−20,000)	.....	.....
National Flood Migration Fund (by transfer)	(20,000)	(20,000)	(20,000)	.....	.....
Total, Federal Emergency Management Agency	7,924,725	6,703,912	4,435,117	−3,489,608	−2,268,795
Appropriations	(1,822,854)	(6,703,912)	(2,935,117)	(+1,112,263)	(−3,768,795)
(Transfer out)	(−22,900)	(−44,477)	(−44,477)	(−21,577)	.....
(By transfer)	(22,900)	(44,477)	(44,477)	(+21,577)	.....
Emergency appropriations	(6,101,871)	.....	(1,500,000)	(−4,601,871)	(+1,500,000)
General Services Administration					
Federal Consumer Information Center Fund	7,276	12,541	15,000	+7,724	+2,459
National Aeronautics and Space Administration					
Human space flight	6,912,400	6,130,900	6,130,900	−781,500	.....
Emergency supplemental	76,000	.....	.....	−76,000	.....
Science, aeronautics and technology	7,857,100	8,844,500	9,044,500	+1,187,400	+200,000
Emergency supplemental	32,500	.....	.....	−32,500	.....
Office of Inspector General	23,700	24,600	24,600	+900	.....
Total, NASA	14,901,700	15,000,000	15,200,000	+298,300	+200,000
National Credit Union Administration					
Central liquidity facility:					
(Limitation on direct loans)	(1,500,000)	(1,500,000)	(1,500,000)	.....	.....
(Limitation on administrative expenses, corporate funds)	(309)	(309)	(309)	.....	.....
Community development revolving loan fund	1,000	1,000	1,000	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2002 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2003—Continued

[In thousands of dollars]

Item	2002 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2002 appropriation	Budget estimate
National Science Foundation					
Research and related activities	3,530,270	3,715,140	4,063,560	+533,290	+348,420
Defense function	68,070	68,070	68,070	.....	.....
Subtotal	3,598,340	3,783,210	4,131,630	+533,290	+348,420
Emergency supplemental	300	.....	.....	−300	.....
Major research equipment and facilities construction	138,800	126,280	79,280	−59,520	−47,000
Education and human resources	875,000	908,080	947,730	+72,730	+39,650
Salaries and expenses	170,040	202,950	182,160	+12,120	−20,790
National Science Board	.....	.....	3,500	+3,500	+3,500
Office of Inspector General	6,760	7,700	9,060	+2,300	+1,360
Total, NSF	4,789,240	5,028,220	5,353,360	+564,120	+325,140
Neighborhood Reinvestment Corporation					
Payment to the Neighborhood Reinvestment Corporation	105,000	105,000	110,000	+5,000	+5,000
Selective Service System					
Salaries and expenses	25,003	26,480	26,480	+1,477	.....
Total, title III, Independent agencies	36,621,215	35,496,054	34,335,487	−2,285,728	−1,160,567
Appropriations	(30,224,444)	(35,496,054)	(32,833,987)	(+2,609,543)	(−2,662,067)
Rescissions	.....	.....	(1,500)	(+1,500)	(+1,500)
(Transfer out)	(−22,900)	(−44,477)	(−44,477)	(−21,577)	.....
(By transfer)	(56,560)	(75,325)	(75,325)	(+18,765)	.....
(Limitation on direct loans)	(1,525,000)	(1,525,000)	(1,525,000)	.....	.....
(Limitation on corporate funds)	(309)	(309)	(309)	.....	.....

Grand total (net)	119,907,308	121,358,580	124,507,956	+4,600,648	+3,149,376
Appropriations	(108,525,237)	(118,366,580)	(119,914,456)	(+11,389,219)	(+1,547,876)
Rescissions	(−1,217,700)	(−1,208,000)	(−1,106,500)	(+111,200)	(+101,500)
Emergency appropriations	(8,399,771)	.....	(1,500,000)	(−6,899,771)	(+1,500,000)
Advance provided in previous acts	(4,200,000)	(4,200,000)	(4,200,000)	.....	.....
(By transfer)	(61,560)	(75,325)	(75,325)	(+13,765)	.....
(Transfer out)	(−22,900)	(−44,477)	(−44,477)	(−21,577)	.....
(Limitation on direct loans)	(1,828,604)	(1,628,629)	(1,828,629)	(+25)	(+200,000)
(Limitation on guaranteed loans)	(381,882,979)	(381,511,955)	(381,845,651)	(−37,328)	(+333,696)
(Limitation on corporate funds)	(563,877)	(583,582)	(583,582)	(+19,705)	.....

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