

SMALL AGENCY REVIEW

SESSION 4



March 2, 1995

5:00 p.m.

Room 472

Small Agency Review
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March 2, 1995

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A

Divider Title: _____

FEDERAL ELECTION COMMISSION

DESCRIPTION: FEC exercises exclusive jurisdiction in the administration and civil enforcement of laws regulating the acquisition and expenditure of campaign funds to ensure compliance by participants in the Federal election campaign process. Its chief mission is to provide public disclosure of campaign finance activities and effect voluntary compliance by providing the public with information on the laws and regulations concerning campaign finance.

FY 1996 BUDGET PROPOSAL: The budget authority for FY 1996 is \$29.021 million, an increase of \$1.915 million over FY 1995. Projected FY 1996 FTE is 337, an increase of 10 over FY 1995 levels.

AGENCY PROPOSAL: FEC argues that it has a Federal function. The central argument is that FEC maintains compliance, disclosure, and funding programs for Federal candidacies, and that this function cannot be devolved to the states. FEC argues that its National Clearinghouse on Election Administration does not lend itself to devolution to the states because it compiles nationwide technical information for states and local governments that these entities cannot easily compile themselves. According to FEC, the main benefit of the clearinghouse is that it provides an even level of service to its customers on a full-time basis, not just during the election periods, and it provides this service at reasonable cost to the taxpayer.

DECISION OPTIONS:

- A. No change. Continue funding at FY 1996 levels.
- B. Continue funding at FY 1996 levels. Explore the development of user fees for the National Clearinghouse on Election Administration.
- C. Continue compliance, disclosure, and funding programs for Federal candidacies. Devolve the National Clearinghouse on Election Administration to a university or some other non-partisan research institution.
- D. Abolish agency.

ADVISORY GROUP RECOMMENDATION:

- B. Continue funding at FY 1996 levels. Explore the cost effectiveness of user fees for the National Clearinghouse on Election Administration.

RATIONALE: FEC has a Federal role. Its compliance, disclosure, and funding programs cannot be devolved to the states. Because of its value to states and local governments, FEC should consider developing user fees to fund some of the operating expenses of the National Clearinghouse on Election Administration.

STEERING COMMITTEE RECOMMENDATION:



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 22, 1995

NPR Phase II Steering Group
750 17th Street, N.W.
Washington, D. C. 20006

Dear Advisory Team Members:

Please find attached, a four page options paper on the core programs administered by the Federal Election Commission (FEC). In response to the Vice President's January 3 memorandum, members and staff of this agency have rapidly, but thoughtfully, re-evaluated what we do and how we do it in keeping with the decision tree options provided by the National Performance Review.

This analysis was a useful exercise in that it required us to stand back and objectively reassess our statutory mission and means of accomplishing same. The FEC discloses the flow of money in political campaigns for federal office, enforces limitations on the amounts and sources of that money, and administers the public financing of Presidential campaigns. Our analysis affirmed the necessary public purpose of these programs and found them inherently governmental and federal. We cannot, therefore, recommend either privatization or devolution as alternative means to serve the goals of the Federal Election Campaign Act.

Among the several independent regulatory agencies, the FEC is structured with more independence than most. While this agency's law enforcement role puts it in the executive branch, it is not part of the Administration in the traditional political sense. As a candidate for federal elective office, the President is subject to FEC regulation just as are U.S. Senators and Representatives. In order to partially insulate the Commission from those it regulates, the statute crafted the FEC with an evenly balanced bipartisan membership, no permanent chair, and exempted the agency from a number of Title 5 statutes that govern the administration of other agencies. The Act also obliges the Commission to transmit concurrently to the Congress and the Administration any submissions regarding budget requests or legislation. Consequently, a copy of this communication has also been sent to our oversight and appropriation committees.

I trust you will find these program analyses responsive to the purposes of the National Performance Review.

For the Commission,

A handwritten signature in dark ink, appearing to read "Danny McDonald".

Danny McDonald
Chairman

CAMPAIGN FINANCE DISCLOSURE FEC PROGRAM 1 OF 4

Informing the public of the sources, uses and amounts of money that fuel political campaigns for federal elective office has been universally embraced as an effective deterrent to both unfair campaigning and corrupt governance. The Federal Election Campaign Act directs candidates, parties and political action committees to provide the Federal Election Commission with detailed information on receipts and expenditures on a regular basis. The law directs the Commission to index this information and make it available for public inspection within 48 hours of receipt.

History has demonstrated that when candidates, office holders, and their financial supporters can conduct their transactions in secret, the opportunities for misconduct in the public business are enhanced. An effective disclosure program also serves to dispel the appearance of corruption in our political process and thus aids in holding some measure of confidence in the government by an increasingly cynical public. Experience has also shown that, absent an effective enforcement mechanism to compel compliance with disclosure requirements (see FEC Program 2 of 4), groups and individuals will not report this information in a timely, complete and accurate manner. The disclosure program is, therefore, inherently governmental and central to the agency's mission. It is not suitable for termination or privatization.

Neither can the Federal Election Commission's disclosure program be turned over to the states. Because it addresses the financing of candidacies for the President, the Senate and the House of Representatives, it is inherently federal. Most states and municipalities have parallel disclosure programs addressing the financing of the political campaigns within their own jurisdictions. Coordination of our respective disclosure programs is helpful as the benefits of political spending at one level can spill over into the other. The public needs a central point to secure information on all candidates for federal office and all PACs and party committees supporting those candidates. Therefore, the disclosure program is not appropriate for devolution.

Performance of the disclosure program can be improved by affording the Commission greater authority to simplify the requirements and additional resources to further automate the process.

**ASSURING COMPLIANCE WITH THE FEDERAL ELECTION CAMPAIGN ACT
FEC PROGRAM 2 OF 4**

The present law regarding the financing of campaigns for federal office specifies detailed registration and reporting requirements for candidates, political parties, and political action committees engaged in federal campaign activity (see FEC Program 1 of 4, Disclosure). The law also specifies limitations on the amounts of money that may be contributed to and among these regulated entities and proscribes contributions or expenditures by specified sources. Participants in the public funding program for the Office of President (see FEC Program 3 of 4) are subject to additional statutory restrictions and obligations. The law also created the FEC as an independent agency with exclusive civil authority to enforce these rules because Congress recognized that prior laws, dating back to 1907, had not been adequately enforced.

Through a variety of statutory means, the FEC seeks to compel compliance with these rules. All political committees are informed in detail of their obligations under the law through educational outreach, formal advisory opinions and through rulemaking proceedings. Reports filed by these committees are subjected to a comprehensive desk audit. For cause shown, the Commission may direct a field audit of a committee. On the basis of either an external complaint or on its own motion, the Commission may institute an investigation of a committee or any person engaged improperly in the financing of federal political campaigns. The Commission may conciliate the outcome of such an investigation, or failing that, may exercise its exclusive authority to prosecute the matter in the civil courts. This law enforcement authority is inherently governmental and not subject to privatization.

Since this compliance program addresses the financing of federal candidacies (the President, the Senate and the House of Representatives), it is inherently federal and not suitable for devolution to the states. Most states and municipalities have parallel compliance programs addressing the financing of the political campaigns within their own jurisdictions. Here, as with disclosure, a measure of coordination with state and local campaign finance regulators is beneficial. To the extent, however, that state rules and regulations conflict with the provisions of the federal election law, the federal law is expressly pre-emptive.

The Commission has dramatically improved its compliance program over the past few years through the adoption of streamlining procedures for audit and enforcement, securing some additional staff resources, and taking a more aggressive stance with those who violate the law. Additional improvement is sought by statutory change to simplify some elements of the law and to afford the Commission greater authority.

**PUBLIC FUNDING PROGRAM FOR PRESIDENTIAL CAMPAIGNS
FEC PROGRAM 3 OF 4**

Since the presidential elections of 1976, the quadrennial campaigns for President have been largely financed with public funds earmarked for this purpose by the taxpayer check off system. Candidates for their party's nomination may finance their primary elections in part with federal matching funds. The major parties' conventions and general election candidates are funded by an outright grant. The amounts of the public subsidy are indexed to inflation. Prior to 1976, presidential campaigns were financed exclusively with private money, and notable abuses were uncovered.

In passing the Presidential Election Campaign Fund Act and the Presidential Primary Matching Payment Account Act, Congress sought to Presidential candidates' dependence on wealthy contributors; to limit the amount of money required to run a presidential campaign; to reduce the fundraising burden on the candidates; and, in the primaries, to place a premium on small, individual donor contributions. By definition, public funding is governmental in nature. Beyond the certification of payments, Presidential campaigns are subject to even more rigorous disclosure and compliance rules than are House and Senate campaigns (see FEC Programs 1 and 2 of 4). If the law were repealed, the funding of these campaigns would be privatized and the benefits of the public funding program would be discarded.

The selection of the President and Vice President is the only nationwide election in the United States. While, here also, the FEC rules and those of the states sometimes overlap on matters such as grass-roots activity, joint fundraising by, and mixed expenditures on behalf of, candidates at varying jurisdictional levels, the locus of regulating the Presidential elections still rests squarely with the federal government and is not subject to devolution to the states.

This program could be improved by the adoption of legislative amendments to simplify compliance by the candidates and political parties.

THE NATIONAL CLEARINGHOUSE ON ELECTION ADMINISTRATION FEC PROGRAM 4 OF 4

The Clearinghouse services the fifty states and thousands of local jurisdictions with a central and authoritative resource for technical information on the administration of elections. The Clearinghouse also serves as a channel of information between the election community, on the one hand, and the executive and legislative branches of the federal government, on the other. A sampling of topics addressed by the Clearinghouse on a continuing basis include voting machine technologies, ballot access rules, voter information and registration programs, contested election rules, and a host of other concerns of election administrators.

In recent years, the Clearinghouse has been designated as the agent of the federal government to communicate new statutory requirements regarding elections to the states and to collect data from the states for transmission to the Congress. Examples of these new laws are the Voting Accessibility for the Elderly and Handicapped Act and the National Voter Registration Act. The Clearinghouse has also been engaged in developing performance and security standards for computerized voting systems which may be voluntarily adopted by the states.

The Clearinghouse provides its state and local government customers with an information resource and with technical assistance in an efficient and effective manner. This type of federal government service was noted as appropriate in the NPR Phase II Federalism Team Report, dated February 1995. The long standing reputation of responsiveness and the low cost of the Clearinghouse (six full time equivalent staff positions and an annual budget under \$750,000) argue to maintain it in the governmental realm.

A National Clearinghouse does not lend itself to devolution to the individual states. By its very nature, the Clearinghouse compiles technical information on a nationwide basis, generally through research contracts, and serves all state and local election officials equally. Furthermore, the Clearinghouse does not have to contend with the periodic imperative of running an election as would a state or local election unit.

The Clearinghouse coordinates its activities through an Advisory Panel of state and local election officials and works closely with groups such as the National Association of State Elections Directors (NASED), the National Association of Secretaries of State (NASS), and the International Association of Clerks, Recorders, Election Officials and Treasurers (IACREOT). Some additional investment in information technology would aid the Clearinghouse in its mission.

FEDERAL ELECTION COMMISSION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; [\$27,106,000] \$29,021,000, of which not to exceed \$5,000 shall be available for reception and representation expenses. (Independent Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 95-1600-0-1-808	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	23,521	27,106	29,021
Financing:			
25.00 Unobligated balance expiring	43		
40.00 Budget authority (appropriation)	23,564	27,106	29,021
Relation of obligations to outlays:			
71.00 Total obligations	23,521	27,106	29,021
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	2,180	2,561	3,123
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-2,561	-3,123	-3,360
77.00 Adjustments in expired accounts	-47		
90.00 Outlays	23,093	26,544	28,784

The Commission administers the disclosure of campaign finance information, enforces limitations on contributions and expenditures, supervises the public funding of Presidential elections, and performs other tasks related to Federal elections.

The Commission is authorized to submit, concurrently, budget estimates to the President and Congress.

Object Classification (in thousands of dollars)

Identification code 95-1600-0-1-808	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	13,391	15,092	16,269

OTHER INDEPENDENT AGENCIES

11.3 Other than full-time permanent	216	475	447
11.5 Other personnel compensation	297	326	310
11.8 Special personal services payments	1	5	5
11.9 Total personnel compensation	13,905	15,898	17,031
12.1 Civilian personnel benefits	2,950	3,376	3,618
13.0 Benefits for former personnel	10	26	26
21.0 Travel and transportation of persons	302	363	403
22.0 Transportation of things	12	15	12
23.1 Rental payments to GSA	2,210	2,638	2,700
23.2 Rental payments to others	26	26	28
23.3 Communications, utilities, and miscellaneous charges	975	872	919
24.0 Printing and reproduction	337	441	427
25.1 Advisory and assistance services	435	357	439
25.2 Other services	919	1,375	1,387
25.3 Purchases of goods and services from Government accounts	300	167	45
26.0 Supplies and materials	589	618	586
31.0 Equipment	551	934	1,400
99.9 Total obligations	23,521	27,106	29,021

Personnel Summary

Identification code 95-1600-0-1-808	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	292	327	337

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Divider Title: _____

NATIONAL COUNCIL ON DISABILITY

DESCRIPTION: NCD is responsible for reviewing laws, programs, and policies of the Federal government affecting disabled individuals. NCD makes recommendations on issues affecting people with disabilities to the President, the Congress, the Rehabilitation Services Administration Commission, the National Institute on Disability and Rehabilitation Research, and other Federal departments.

FY 1996 BUDGET PROPOSAL: The budget appropriation for FY 1996 is \$1.826 million, an increase of \$37,000 over FY 1995. Projected FY 1996 FTE is 11, no change from FY 1995 levels.

AGENCY PROPOSAL: NCD argues that it has a Federal role because the Council gives the disability community a voice in the formulation of Federal disability policy. NCD is contemplating an agency restructuring initiative and is deploying new telecommunications technologies that should reduce travel and printing costs. Restructuring initiatives will be a consideration at a disability policy conference this fall. NCD would like to redirect any savings realized from the restructuring to programmatic initiatives.

DECISION OPTIONS:

- A. No change. Continue funding at FY 1996 levels.
- B. Coordinate joint review as part of the Administration's disability review effort (co-chaired by Carol Rasco and Alice Rivlin).
- C. Eliminate agency.

ADVISORY GROUP RECOMMENDATION:

- B. Coordinate joint review as part of the Administration's disability review effort (co-chaired by Carol Rasco and Alice Rivlin).

RATIONALE: Since there are cross-cutting reviews underway concerning disability issues, it makes sense to revisit NCD's Federal role as part of these reviews.

STEERING COMMITTEE RECOMMENDATION:

NATIONAL COUNCIL ON DISABILITY

NATIONAL PERFORMANCE REVIEW PHASE II OPTIONS PAPER

OVERVIEW

The National Council on Disability (NCD) is an independent Federal agency. It is charged with reviewing, and when necessary, making recommendations regarding all laws, programs, and policies affecting people with disabilities. The NCD is directly responsible to the President and the Congress. It also provides advice to the Secretary of the Department of Education, the Commissioner of the Rehabilitation Services Administration, the Director of the National Institute of Disability Rehabilitation and Research.

The NCD was established by the 95th Congress as a disability advisory board within the Department of Education. However, in response to the increasing need for disability policy and programs and with the passage of the Rehabilitation Act Amendments of 1984 (Section 141(b) of Public Law No. 98-221), the NCD was turned into an independent agency with responsibility for monitoring disability related programs and policies generated by the government.

The NCD holds a very unique role within the federal government. The Council's position allows it to remain completely objective and gives it the opportunity to be independent of special interest groups. Consequently, the decisions made by the NCD are based solely on the welfare of the 49 million people in this country with disabilities. The NCD also provides an important linkage between people with disabilities and the government.

Among its many accomplishments, the National Council was responsible for the publication of the landmark report, *Toward Independence*, which proposed what ultimately became the Americans with Disabilities Act (ADA). Within the past two years NCD has issued detailed reports to the President and Congress on the progress of the ADA implementation (a statutory duty of the NCD), policy research, special education policy and financing, health care reform, the needs of minorities with disabilities, and accessible technology.

The National Council on Disability is led by fifteen members with diverse backgrounds who are appointed by the President and confirmed by the Senate. A majority of the members are either persons with disabilities or parents of children with disabilities. The NCD members serve as part-time special government employees, accounting for two FTE's of the Council's 11 FTE ceiling. The NCD is supported by a staff of nine full time employees. The Council operates one office located in leased space in Washington, D.C. and has an FY 1995 budget of \$1,793,000.

MISSION AND GOALS

The mission of NCD is to identify, respond, develop and recommend disability policies and programs that promote equal opportunity and full independence, inclusion, and empowerment of all people with disabilities.

The current goals of NCD are:

- a) development of a comprehensive national policy.
- b) monitoring the implementation of existing Federal civil rights laws including:
Americans with Disabilities Act (ADA)
Individuals with Disabilities Education Act (IDEA)
Rehabilitation Act of 1992
Fair Housing Act Amendments of 1988
- c) Continued identification of and response to emerging issues that affect people with disabilities. Examples of emerging issues that affect people with disabilities include the National Information Infrastructure (NII), the disability aspects of the Reinventing Government initiative, and unfunded mandates.
- d) Improved communication with the disability community. This is needed to ensure that people with disabilities know both programs and policies set forth by the Administration, as well as their rights as established through the law.
- e) To ensure that programs, services, and benefits for people with disabilities are accessible to minorities and people living in poor and rural areas of the country. It is also the NCD's goal to ensure that its own activities include and respond to the needs of these populations.
- f) Continued development of strategies to improve the educational achievements and employment opportunities for individuals with disabilities.

ASSESSMENT OF KEY FUNCTIONS

As a part of the NPR Phase II effort, the NCD commissioned a survey which was given to 50 disability leaders in the United States. The survey and an analysis of the results are attached to this report.

The survey showed that leaders in the disability community were almost unanimous in their approval of all of NCD's key functions. No key function was recommended for termination and the greater majority believes that without the NCD the rights of Americans with disabilities would be ignored by the government. A summary of the current key functions of the NCD are the following:

I. POLICY DEVELOPMENT

The NCD establishes its policies through an extensive process of gathering information which includes conducting hearings, holding national meetings on specific disability issues and running surveys of people with disabilities from across the country. The NCD is ultimately responsible for the research, development and implementation of policies that affect the quality of life for people with disabilities.

II. LEGISLATION

The NCD monitors, comments and affects pending legislation that deals with disability policy.

III. RELATIONSHIP WITH MEMBERS OF CONGRESS AND FEDERAL OFFICIALS

The NCD has an excellent relationship with the members of Congress and Federal officials. It is the NCD's responsibility to communicate and cultivate relationships with these leaders to further promote disability issues on Capitol Hill and in the government. NCD is called upon to provide information to committees and members of Congress.

IV. OTHER FUNCTIONS

Other NCD functions include meeting with consumers and representing people with disabilities on Federal advisory boards, task forces, international forums and in the media and business leaders.

The NCD has historically operated in a cost-effective manner. It has a small core staff that identifies issues and coordinates research, but also commissions actual policy research through external contracts. The Council is currently pursuing more cost-effective methods of communications through the use of the Internet and on-line service.

The NCD's role as an agency within the Federal government is unique. The NCD bridges the gap between the government and people with disabilities. Its basic job is in advancing the basic civil rights for all Americans with disabilities while ensuring that government benefits and services are designed appropriately and delivered respectfully. Inclusion, empowerment and independence are the foremost principles reflected in all NCD policies.

OPTION 1--TERMINATION OF THE AGENCY

PRO — The only positive outcome for taxpayers of the outright elimination of the National Council on Disability would be annual budget savings of \$1,793,000. There would be no positive outcome for people with disabilities. Indeed the "quick fix" of

eliminating the NCD would lead to larger problems later.

CON —

1. Elimination would contradict the strong signs of support for the Council from the disability community. Input from our customers —gathered through hearings, national meetings, consumer participation in the development of reports, and a survey of consumers— confirms that, NCD has a critical role in the research, development, and implementation of policies that impact on people with disabilities.
2. The elimination of the NCD would mean a long range increase to taxpayers and would be a step back for the Civil Rights movement. The NCD is the ONLY entity within the Federal government that keeps an eye on the policies, programs, and laws that affect people with disabilities. For a very modest budget and staffing pattern, NCD is able to play a serious role in helping to ensure that the billions of dollars in taxpayer investments in disability programs are well spent and that these programs are coordinated to the greatest degree possible in response to customer needs.
3. Historically, irrelevant or ineffective policy has resulted when decisions were made without input from people with disabilities. The NCD promotes maximum relevance and efficiency in the delivery of services and benefits to citizens with disabilities, thereby reducing long-term costs.
4. The nation's 49 million individuals with disabilities would lose the ONLY independent mechanism they have for expressing their needs and interests. The NCD gives the 49 million Americans with disabilities a venue for constructive expressions of concerns while providing a conduit for change.

Unfortunately, people with disabilities have not been represented in deciding disability policy. Through the Clinton Administration, the NCD has been the channel that includes people with disabilities in the decision making process. To eliminate the NCD would not only cut off these people from the policy decisions that affect them, but it would dampen the relationship the Administration has built with civil rights constituencies.

5. In addition, President Clinton has nominated the first "disability majority" Council and appointed the first-ever council chair with a disability. To eliminate the Council before the last nominee is sworn in would be interpreted as a breach of the Administration's commitment to empowerment.
6. The Council's stature gives people with disabilities access to government officials that would otherwise not be available, helping to ensure good policy decisions by those officials.
7. Congress has expressed continuing support for the Council by adopting many of its recommendations.

Summary Cost Information: Elimination of NCD would result in savings of \$1,793,000 per year (\$8,965,000 over five years) and a reduction in the Federal workforce of eleven FTEs.

OPTION 2--RESTRUCTURING OF THE ENTIRE AGENCY

The NCD is structured to provide competition through privatization. The NCD will continue to use competition as a way to ensure the best quality products and services at the lowest prices. This kind of open competition is presently used by the NCD to ensure maximum return on taxpayer investment.

The NCD is also excited about reorganizing the agency to reflect their growing telecommunications needs. Through this reorganization, the Council is looking forward to the decreased need to travel and the reduction of printing costs.

The NCD believes in the continued need to improve and streamline their agency. They have every intention of continuing to improve the quality of their services and products.

CON

NCD has a comprehensive Congressional mandate, it is a very small agency with only a few staff and a very low budget. With this in mind, staff resources are already low. Although in the long run restructuring would lead to a more efficiently run organization, the present hardship this would put on the NCD would be strongly felt.

In addition, the NCD is convening a major national summit on the future direction of disability policy. The summit is presently scheduled for this fall. One of the purposes of this summit is to consider recommendations for changing the NCD's organizational structure. It would be counterproductive to reorganize the agency before the national summit.

Summary Cost Information: Any savings from restructuring communications would be redirected by the Council into policy research and development activities.

SUMMARY

Supreme Court Justice Thurgood Marshall once wrote: "The legal system can force open doors, and sometimes even knock down walls, but it cannot build bridges.: The NCD is the bridge that brings the disability community and the Federal government together. In that way, the NCD has already begun to "reinvent" itself as a means to improve policy development, program services and the efficient use of funds and resources.

The NCD is an invaluable agency without which the disability community would have no voice. As a result of the NCD's work the 49 million Americans with disabilities have government representation; and because of that representation the principles of

inclusion, empowerment and independence are incorporated into every aspect of the government's and the Clinton Administration's goals and accomplishments.

With the NCD the Clinton Administration is breaking down the barriers of ignorance and is forging new positive relationships with people with disabilities. Because of the NCD people with disabilities are being mainstreamed into society. The NCD's accomplishments including the Americans with Disabilities Act (ADA) far surpass the value of the relatively small resources invested in it.

APPENDIX

The President has asked Vice-President Albert Gore to conduct a review of all federal agencies and operations with goals of making government more efficient, more effective, and more responsive to the needs of its citizens. Currently each agency is being asked to review each of its functions to determine if that function is an appropriate federal function, if it should be eliminated, or if it should be changed.

Before answering, the National Council on Disability would like to hear from our customers. The National Council has defined "customer" as individuals with disabilities. We are asking for your assistance in answering a few questions about the National Council and its work. Your answers will help us convey to the Vice-President the importance to the community of the National Council's unique role in the federal government.

It is the purpose of the National Council is to promote policies, programs, practices, and procedures that guarantee equal opportunity for individuals with disabilities and to empower individuals with disabilities to achieve economic self-sufficiency, independent living, and inclusion into all aspects of society. It accomplishes this mission by continually reviewing and evaluating federal laws, regulations, programs, policies, and procedures and making recommendations to the President, the Congress, and federal agencies on how to better meet the needs of people with disabilities.

The Americans with Disabilities Act (ADA) is just one of the many important contributions of the National Council. The council is currently collecting information about the impact of the ADA on the lives of individuals with disabilities. Other areas of interest to the National Council are renewal of the Individuals with Disabilities Education Act (IDEA), ensuring access to the Information Superhighway, diversity issues, and monitoring developments in the new Congress.

Please answer the following questions in relation to the preceeding information.

1. Do you support the purpose of the National Council?

YES _____

NO _____

2. The National Council is an independent federal agency which makes recommendations to both the President and the Congress. Is the purpose of the National Council appropriate for a federal agency?

YES _____

NO _____

4. The National Council accomplishes its functions by the following methods. Which methods should be kept, modified, or eliminated.

a. reviewing and commenting on pending legislation

KEEP _____

MODIFY _____

ELIMINATE _____

b. media relations

KEEP _____

MODIFY _____

ELIMINATE _____

c. representing the disability community on various federal advisory councils and task forces

KEEP _____

MODIFY _____

ELIMINATE _____

d. policy research

KEEP _____

MODIFY _____

ELIMINATE _____

e. consumer summits, hearings, town meetings, etc. to gather input from our customers

KEEP _____

MODIFY _____

ELIMINATE _____

f. representing the U.S. disability community at various international conferences sponsored by the United Nations and others

KEEP _____

MODIFY _____

ELIMINATE _____

g. meeting with federal officials and members of Congress

KEEP _____

MODIFY _____

ELIMINATE _____

COMMENTS:

5. The National Council operates with 15 Council members, a staff of nine and an annual appropriation of about \$1.8 million dollars. Should the National Council be given:

_____ a. more resources

_____ b. fewer resources

_____ c. the current resources are sufficient for it to carry out its mission?

6. How could the Council do its work more effectively?

7. Has the National Council been successful in seeking and using input from the disability community.

YES _____

NO _____

8. What issues should the National Council be working on?

9. Has the National Council been successful in promoting the interests of people with disabilities?

YES _____

NO _____

10. Are there any systemic or structural barriers that keep the National Council from meeting the needs of individuals with disabilities?

YES _____

NO _____

EXPLAIN:

11. Each agency is being asked to evaluate the impact on its customers of the elimination of the agency. If the National Council were to be eliminated, how would its functions be done:

- _____ a. would not be done
- _____ b. by the private sector
- _____ c. by state and local governments

YOUR ASSISTANCE IN COMPLETING THIS QUESTIONNAIRE HAS BEEN GREATLY APPRECIATED BY THE MEMBERS OF THE NATIONAL COUNCIL ON DISABILITY. WE LOOK FORWARD TO WORKING WITH YOU IN THE FUTURE!

Do you support the purpose of the National Council	yes	no	
	100%		
2. The National Council is an independent federal agency ...	yes	no	
	100%		
4. The National Council accomplishes its functions by the foll...	keep	modify	eliminate
a. Reviewing and commenting on pending legislation	93%	7%	0%
b. Media relations	64%	23%	9%
c. Representing the disability community on various federal ...	75%	23%	2%
d. Policy research	95%	5%	0%
e. Consumer summits, hearings, town meetings, etc. to gather ...	80%	16%	0%
f. Representing the U.S. disability community at various international .	75%	5%	18%
g. Meeting with federal officials and members of ...	95%	5%	0%
4. COMMENTS	See separate documentation		
5. The National Council operates with 15 Council members, a staff ..	more reso..	fewer reso..	the current..
	50%	0%	43%
6. How could the Council do its work more effectively	See separate documentation		
Has the National Council been successful in seeking ...	yes	no	
	73%	7%	
8. What issues should the National Council be working on	See separate documentation		
9. Has the National Council been successful in promoting ...	yes	no	
	82%	5%	
10. Are there any systemic or structural barriers ...	yes	no	
	48%	18%	
10. EXPLAIN:	See separate documentation		
11. Each agency is being asked to evaluate the	not be done	private sector	state and local
	84%	2%	2%

Survey made 19-24 February -95 (44 interviews)

#1	yes	no		total	total
	44			44	
#2	yes	no			
	44				
	keep	modify	eliminate		
a	41	3	0		44
b	28	10	4		42
c	33	10	1		44
d	42	2	0		44
e	35	7	0		42
f	33	2	8		43
g	42	2	0		44
See separate documentation					
	more reso..	fewer reso..	the current..		
#5	22	0	19		41
See separate documentation					
	yes	no			
#7	32	3			35
#8 See separate documentation					
#9	yes	no			
	36	2			38
#10	yes	no			
	21	8			29
See separate documentation					
#11	not be done	private sector	state and lokal		
	37	1	1		39

THE BUDGET FOR FISCAL YEAR

NATIONAL COUNCIL ON DISABILITY

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, [\$1,793,000] \$1,830,000. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	1,537	1,793	1,830
Financing:			
25.00 Unobligated balance expiring	153		
40.00 Budget authority (appropriation)	1,690	1,793	1,830
Relation of obligations to outlays:			
71.00 Total obligations	1,537	1,793	1,830
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	390	513	179
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-513	-179	-183
77.00 Adjustments in expired accounts	-15		
90.00 Outlays	1,399	2,127	1,826

The National Council on Disability is composed of 15 members appointed by the President and confirmed by the Senate. Established under the Rehabilitation Act of 1973, as amended, the Council is responsible for reviewing laws, programs, and policies of the Federal Government affecting disabled individuals. The Council also makes recommendations on issues affecting people with disabilities to the President, the Congress, the Rehabilitation Services Administration Commissioner, the National Institute on Disability and Rehabilitation Research Director, and other Federal Departments and agencies, as may be appropriate.

Object Classification (in thousands of dollars)

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	366	512	503
11.3 Other than full-time permanent	126	155	156
11.5 Other personnel compensation	12	30	6
11.9 Total personnel compensation	504	697	665
12.1 Civilian personnel benefits	71	130	130
21.0 Travel and transportation of persons	120	125	170
23.1 Rental payments to GSA	102	120	130
23.3 Communications, utilities, and miscellaneous charges	45	100	90
24.0 Printing and reproduction	23	18	45
25.2 Other services	542	525	504
25.3 Purchases of goods and services from Government accounts	46	43	43
26.0 Supplies and materials	36	25	27
31.0 Equipment	48	10	26
99.9 Total obligations	1,537	1,793	1,830

Personnel Summary

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	7	11	11

OTHER INDEPENDENT AGENCIES

Trust Funds GIFTS AND DONATIONS

Program and Financing (in thousands of dollars)

Identification code 95-8077-0-7-506	1994 actual	1995 est.	1996
Program by activities:			
10.00 Total obligations	1	3	
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-3	-3	
24.40 Unobligated balance available, end of year: Treasury balance	3		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations	1	3	
90.00 Outlays	1	3	

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C

Divider Title: _____

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

DESCRIPTION: The Foundation was established in 1986 by Public Law 99-661 in recognition of Senator Goldwater's service to the United States. Forty million dollars was provided for investment in U.S. Government securities to generate interest income to fund the scholarships and administration of the Foundation.

FY 1996 BUDGET PROPOSAL

The proposed FY 1996 Budget provides \$4.28M authority from the trust fund interest. Proposed FTE for 1996 are unchanged from FY 1995 level of 2.

AGENCY PROPOSAL The Foundation contends that given the national scope of its student population and the fact that it was established as a federal tribute to Senator Goldwater, devolving its responsibilities to state or local governments would be illogical. They have successfully reduced administrative costs since operations began in 1988, and are exploring the use of electronic processing for both nomination materials and scholar check issuance to minimize processing time as an improvement to customer service. The trustees return 25% percent of the trust's earnings to the "corpus" in order to compensate for the possibility of reduced future interest rates.

DECISION OPTIONS

- A. No change; follow FY 1996 Budget recommendation.
- B. Eliminate the Foundation and apply the principal to deficit reduction.
- C. Identify a private, not-for-profit organization willing and able to administer the trust, at its own expense, in exchange for playing a role in selecting Goldwater Scholars. Return to the Treasury trust funds currently supporting administrative costs.
- D. Merge the trust with the four other Federal scholarship/fellowship memorials under this review. Return to the Treasury that portion of the combined trust which currently generates interest to support duplicative administrative structures (a total savings of \$36M).

ADVISORY GROUP RECOMMENDATION C.

RATIONALE There are many educational organizations that specialize in administering scholarships and fellowships. Fixed costs associated with trust and scholarship administration can be borne by an appropriate private not-for-profit organization that already incurs fixed costs for such activities. This memorial trust fund will thus leverage private funds to cover administrative expenses. Trust funds currently supporting administrative expenses will be returned to the Treasury. A Federal role in ensuring appropriate selection of scholarships can be maintained through agreement. Legislation would be required, as would the identification of a suitable administrative organization and the negotiation of terms and conditions of transferring the endowment.

Change would require legislation.

STEERING COMMITTEE RECOMMENDATION:

**BARRY M. GOLDWATER SCHOLARSHIP AND
EXCELLENCE IN EDUCATION FOUNDATION**

PURPOSE OF THE FOUNDATION

The Barry M. Goldwater Scholarship and Excellence in Education Foundation is a federally endowed agency established by Congress by Public Law 99-661 on November 14, 1986. The Foundation was established in recognition of Senator Goldwater's fifty-six years of service to the United States as a soldier and statesman, including thirty years as a U.S. Senator.

Due to Senator Goldwater's long standing special interest in the education of America's youth, particularly in the fields of science and mathematics, Senator Sam Nunn proposed a scholarship program, in the FY 1987 Defense Authorization Bill, encouraging outstanding students to pursue careers in these fields.

The Scholarship Program, designed to foster and encourage excellence in science, mathematics, and engineering was founded as the sole federal tribute to the leadership, courage and vision of Senator Barry Goldwater. A "corpus" of forty million dollars was established in the Treasury to fund the scholarship program in perpetuity. By law, the Foundation uses the interest from this fund, which must be invested in U.S. Government securities, to fund the scholarships and administration of the Foundation.

The Foundation is governed by thirteen Trustees, who serve without pay: eight, not more than four of whom shall be of the same political party, appointed by the President with the advice and consent of the Senate; two members from the Senate, one appointed by the majority leader and one appointed by the minority leader of the Senate; two members from the House of Representatives, one appointed by the majority leader and one appointed by the minority leader of the House of Representatives; and serving ex-officio, the Secretary of Education.

The scholarship program has drawn the finest young scholars in the United States because they are nominated by their respective institutions based solely on academic merit. The two-year colleges are limited to two nominees each year and four year institutions are limited to four nominees.

The competition is intense at the collegiate level with as many twenty or thirty of the top students at nearly every major American university and college vying for the Goldwater nominations. The end result is that the approximately 1400 Goldwater annual nominees represent "the best of the best" from colleges and universities nationwide. These nominees are then evaluated by an independent panel of academicians and rank ordered for consideration by the Goldwater Trustees. Funding available over the last several years has allowed the Trustees to select approximately 250 Scholars annually.

Is this program or function critical to the agency's mission based on "customer" input?

DISCUSSION

The Goldwater Scholarship Program is the mission of the Foundation. The enabling legislation envisioned the possibility of additional programs such as teacher honoraria and graduate fellowships; but the Trustees decided, and have reaffirmed over the years, that the greatest need for and most beneficial use of the scholarship fund exists at the college undergraduate level.

The scholarship is national in nature. It is open to all mathematics, science and engineering students attending accredited two and four year institutions in the fifty States, the District of Columbia, Puerto Rico, The Virgin Islands, American Samoa, Guam and the Commonwealth of the Northern Mariana Islands.

The Foundation staff, which consists of only two full-time employees, has always considered service to the Scholar (customer) the most important aspect of the program. College financial aid offices are notoriously intolerant of unpaid bills and the staff is keenly aware of the necessity to provide funding in a timely manner each term. Every payment request from a Scholar, that is properly executed (appropriate costs, verification signatures, etc.), is forwarded from this office for check processing within an average of two or three working days or less. If the Scholar sends the request in on time, he or she will receive a check from the Treasury in time to meet any deadlines.

The Foundation services an average of 360 students annually with each Scholar receiving a minimum of two or three checks a year. This totals approximately 900 checks per year with an absolute minimum of problems. This important task, together with the many other administrative demands, is handled by the staff of only two full-time employees at absolutely minimal cost to the government. The Board and the General Counsel of the Foundation serve pro bono and are compensated only for expenses.

Can it be done as well or better at the state or local level?

Discussion

Given the scope of the student population and the fact that the Foundation was established as a federal tribute to Senator Goldwater, it must logically remain at the national level as opposed to the state or local level. The scholarship program has been an extraordinary success by any standards.

In its short history, Foundation scholars have been selected for many of the most prestigious awards for graduate study, including eight Rhodes Scholarships and numerous National Science Foundation, Marshall, Churchill, Fulbright, Hughes and similar fellowships.

The number and calibre of these outstanding scholars in these vital career fields constitute a current and future national asset that should continue to be cultivated by the Federal Government. It is very difficult to see how any such move would generate any significant savings or increase the efficiency of the program.

Is there any way to cut cost or improve performance by introducing competition?

Discussion

The Foundation has always operated on a very austere budget while constantly seeking more cost effective ways to reduce administrative costs. In March 1993 the Trustees endorsed, and Congress enacted, a change in the enabling legislation which allowed the Foundation to relocate from Washington, DC, to Northern Virginia when the current lease was terminated. The move was effected in February 1994 and rental costs were reduced by 43 percent annually or approximately \$100,000.00 in savings over the term of the new lease. Total relocation costs were more than amortized by the reduction in the first month's rent.

When the Foundation began operations in 1988 there was virtually only one, not for profit, contractor who had the capability to provide the scholarship search services which if performed by the Foundation would be cost prohibitive. After conducting a competition, the Trustees, in March 1994, accepted a bid from a new contractor which reduced these costs by more than 50 percent. This will result in a cost savings of more than \$150,000 over the term of the contract.

The Foundation has a contract with GSA which provides legal, accounting, personnel, payroll and other services at a cost which is less than one additional full-time employee. In addition, the staff of the Foundation has remained constant at two full-time employees due to the fact that it is more cost effective to contract with another agency for such services.

From its inception, the Foundation has continually sought ways to reduce costs and improve performance by any means possible. Since 1989, the Trustees have authorized the expenditure of nearly \$17 million in scholarship funding including a projected amount for this year's, just completed, competition.

All of those funds have not yet been expended since they are paid out over three fiscal years and most of the Scholars have other scholarships which reduce their Goldwater funding somewhat. The total administrative cost associated with the scholarship since 1989 is approximately \$2.5 million. Thus, the overall cost to benefit ratio has remained at 15% or less from the beginning, a continuing source of pride to the organization.

The one-time appropriation of forty million dollars has now grown to fifty seven million due to the careful husbanding of these funds by the Trustees. They realized that the Foundation could not depend on a continued minimum interest rate of eight percent, upon which the amount of the original "corpus" was predicated, to fund the Foundation in perpetuity. They established a portfolio, with the advice of "pro-bono" financial experts, which provides for a continuing flow of funds as needed on an annual basis.

They also established a reinvestment policy, which returns twenty five percent of the earnings to the "corpus" annually, to compensate for reduced future interest rates. This increase in the amount of the Foundation portfolio has provided a stable flow of funds during the drop in interest rates in recent years. As a result the Foundation has not had to cut back significantly on the number of scholarships awarded each year. As a matter of fact the number may increase if the Trustees so decide at the March 1995 board meeting.

In summary, the Foundation has lived by the spirit and intent of the National Performance Review since start of operations in 1988. Administrative costs have been held to a minimum and measures have been taken to reduce them whenever possible. While most of the possible actions to reduce administrative costs have been taken, the Foundation will continue to search for additional ways to make the organization as cost effective and efficient as possible.

How can NPR principles be applied to put customers first, cut red tape and empower employees?

Discussion

The Goldwater Foundation staff is currently working on ways to make scholarship nomination materials more computer friendly in order to minimize the amount of time required to complete the forms. Effort is also being undertaken to speed up scholar check processing after the forms leave the Foundation, possibly by electronic processing.

The only red tape we experience flows from the endless demands by the government bureaucracy which treats a two person staff as if it had the capability of the Department of Defense. Despite these demands, we are always able to respond on time.

Lack of employee empowerment is not a problem in the Goldwater Foundation. With only two individuals you must work as a team, welcome suggestions and delegate authority in order to accomplish the mission.

Hopefully, the review committee will agree that the Goldwater Foundation epitomizes all that is good in government. Every effort is made to satisfy the customer in the most efficient and cost effective manner and the results of this program attest to that.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

Trust Funds

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FUND

Program and Financing (in thousands of dollars)

Identification code 95-8281-0-7-502	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Scholarship awards	2,228	2,465	2,465
00.02 Program administration	432	362	372
10.00 Total obligations	2,660	2,827	2,837
Financing:			
17.00 Recovery of prior year obligations	-2		
Unobligated balance available, start of year:			
21.40 Treasury balance	-13	-22	
21.41 U.S. Securities: Par value	-53,569	-55,180	-56,603
Unobligated balance available, end of year:			
24.40 Treasury balance	22		
24.41 U.S. Securities: Par value	55,180	56,603	58,047
60.27 Budget authority (appropriation) (trust fund, indefinite)	4,278	4,228	4,281
Relation of obligations to outlays:			
71.00 Total obligations	2,660	2,827	2,837
Obligated balance, start of year: Unpaid obligations:			
72.40 Treasury balance	175	44	
Obligated balance, end of year: Unpaid obligations:			
74.40 Treasury balance	-44		
78.00 Adjustments in unexpired accounts	-2		
90.00 Outlays	2,789	2,871	2,837

Public Law 99-661 established the Barry Goldwater Scholarship and Excellence in Education Foundation to operate the scholarship program that is the sole permanent tribute to the former Senator from Arizona. The Foundation awards scholarships to outstanding undergraduate students who intend to pursue careers in mathematics, science and engineering.

Scholarship awards.—This activity is comprised of scholarships awarded to cover eligible educational expenses.

Program administration.—This activity covers the costs of operating the program.

Object Classification (in thousands of dollars)

Identification code 95-8281-0-7-502	1994 actual	1995 est.	1996 est.
11.1 Personnel compensation: Full-time permanent	170	176	182
12.1 Civilian personnel benefits	37	42	44
21.0 Travel and transportation of persons	2	3	3
23.2 Rental payments to others	21	17	17
23.3 Communications, utilities, and miscellaneous charges	6	6	7
24.0 Printing		1	1
25.1 Advisory and assistance services	158	77	79
25.2 Other services	2	2	2
25.3 Purchases of goods and services from Government accounts	34	32	32
26.0 Supplies and materials	2	2	2
31.0 Equipment		4	3
41.0 Grants, subsidies, and contributions	2,228	2,465	2,465
99.9 Total obligations	2,660	2,827	2,837

Personnel Summary

Identification code 95-8281-0-7-502	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	2	2	2

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Divider Title: _____

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

DESCRIPTION: The HSTSFS was established to award scholarships to individuals - known as Truman Scholars - who demonstrate potential for and interest in careers in public service. Funding for the HSTSFS is derived from a trust fund of approximately \$54 million.

FY 1996 BUDGET PROPOSAL: The proposed FY96 Budget provides \$2 million for fellowship awards and \$1,133,000 for program administration. Proposed FTE for 1996 is 5, unchanged from the estimated FY95 level.

AGENCY PROPOSAL: Propose maintaining the existing organization.

DECISION OPTIONS:

- A No change; follow the FY96 Budget recommendation
- B Eliminate the HSTSFS and apply the trust fund principal to other purposes
- C Identify an appropriate private not-for-profit organization willing and able to administer the trust, at its own expense, in exchange for playing a role in selecting Truman Fellows; the trust would be reduced in size such that it would continue to generate \$2 million in interest income per year for fellowships (i.e., to approximately \$31 million, assuming interest is earned @ 6.5% per annum); the remainder of the trust, estimated at \$23 million, would be returned to the Treasury
- D Merge the trust with the other Federal scholarship/fellowship memorials to take advantage of economies of scale in trust and scholarship/fellowship administration; this would yield an estimated windfall of \$36 million for the four memorial foundations under review

ADVISORY GROUP RECOMMENDATION C

RATIONALE The existing memorial structure incurs high administrative costs relative to the amount of money disbursed for scholarships. There are many educational organizations that specialize in administering scholarships and fellowships. Fixed costs associated with trust and scholarship administration can be borne by an appropriate private not-for-profit organization that already incurs fixed costs for such activities. This memorial trust fund will thus leverage private funds to cover administrative expenses. Trust funds currently supporting administrative expenses will be returned to the Treasury. A Federal role in ensuring appropriate selection of scholarships can be maintained through agreement.

Legislation would be required, as would the identification of a suitable administrative organization and the negotiation of terms and conditions of transferring the endowment.

Change would require legislation.

STEERING COMMITTEE RECOMMENDATION:

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Harry S. Truman
SCHOLARSHIP FOUNDATION

February 28, 1995

Mr. Bob Stone
Project Director, National Performance Review
750 17th Street, NW; Suite 200
Washington, DC 20006

Dear Bob,

Louis Blair, the Foundation's Executive Secretary, has been traveling in connection with selection of 1995 Scholars and will not be back for several days. I hope the enclosed will respond to your circular memorandum of January 5.

As you know, the Harry S. Truman Scholarship Foundation was established by Congress following the President's death. Public Law 93-642, January 4, 1975, the "Harry S. Truman Memorial Scholarship Act" was designed to be the only Memorial for the former president. Congressional sponsors, with the concurrence of the family designed the program as a "living memorial" in recognition of President Truman's interest in encouraging the best and brightest young people to seek careers in public service. Public service is defined to include non-profit as well as government.

I enclose a copy of P.L. 93-642. The statute contemplated a 4-year scholarship to cover basic costs of tuition, room and board, books, and fees up to a total of \$5,000.00 per year. The limit has since been increased to \$10,000 per year, by Congress indexed for inflation. In order to save money, the Foundation deducts from its current four-year maximum of \$30,000 other assistance by the student received from scholarships and student assistance. Even so, with the increased cost of higher education funds available are not adequate to cover their basic costs for a majority of institutions as intended by Congress.

As you will note, the law provides for at least one scholarship for each state and one each for the District of Columbia, Puerto Rico and the Virgin Islands, and the Trust Territories. In recognition of the large enrollments in the more populous states, we have added scholarships up to a total of 85.

The costs of the program derive from interest on a trust fund. This income is not adequate to provide the basic costs allowed for most colleges and universities. It is NOT a student aid program. Awards are made strictly on a merit basis.



The Foundation is subject to the supervision and direction of a bipartisan Board of Trustees - two Senators selected by the President of the Senate, one from each Party; two members from the House appointed by the Speaker; eight appointed by the President, four from each party. Membership is specified in Section 5 of the statute. All serve without pay.

Candidates are nominated by colleges and universities, screened by a volunteer group of educators and public officials. The final selections are made by 17 volunteer, uncompensated panels of prominent educators and public officials. The procedure is similar to that followed for selection of Rhodes Scholars.

I enclose the pertinent statement from the 1996 budget. I think you will agree that staff support is minimal.

While I did not play a direct role in establishing the Foundation as a memorial for President Truman, I am happy to serve as Chairman of the Board of Trustees. I served President Truman during his term of office and was appointed by him as Deputy Budget Director. The Foundation is a fitting memorial for a great President.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Elmer B. Staats", written in a cursive style.

Elmer B. Staats

Chairman of the Board of Trustees

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Trust Funds

HARRY S. TRUMAN MEMORIAL SCHOLARSHIP TRUST FUND

Program and Financing (in thousands of dollars)

Identification code 95-8296-0-7-502		1994 actual	1995 est.	1996 est.
Program by activities:				
00.01	Scholarship awards	1,661	2,000	2,000
00.02	Program administration	975	1,155	1,133
10.00	Total obligations	2,636	3,155	3,133
Financing:				
Unobligated balance available, start of year:				
21.40	Treasury balance	-903	-237	-50
U.S. Securities:				
21.41	Par value	-51,960	-53,220	-53,817
21.42	Unrealized discounts	7	25	25
Unobligated balance available, end of year:				
24.40	Treasury balance	237	50	50
U.S. Securities:				
24.41	Par value	53,220	53,817	54,173
24.42	Unrealized discounts	-25	-25	-25
60.27	Budget authority (appropriation) (trust fund, indefinite)	3,212	3,565	3,489
Relation of obligations to outlays:				
71.00	Total obligations	2,636	3,155	3,133
Obligated balance, start of year: Unpaid obligations:				
72.40	Treasury balance	169	482	66
Obligated balance, end of year: Unpaid obligations:				
74.40	Treasury balance	-482	-66	-66
90.00	Outlays	2,323	3,571	3,133

Public Law 93-642 established the Harry S. Truman Scholarship Foundation to operate the scholarship program that is the permanent Federal memorial to the 33rd President of the United States. The Foundation awards scholarships for up to four years to qualified students who demonstrate outstanding potential for and interest in careers in public service at the local, State, or Federal level or in the non-profit sector.

In its fiscal year 1996 annual competition, the Foundation will select up to 85 new Truman Scholars. The maximum award will be \$30,000 for four years.

Scholarship awards.—This activity is comprised of scholarships awarded to cover eligible educational expenses.

Program administration.—This activity covers all costs of operating the program, including annual program announcement, interview and selection of Truman Scholars, calculation and disbursement of scholarship awards, monitoring of student progress, and special services and activities for scholars, including an orientation week for new scholars, a summer education and internship program, and workshops and conferences.

Object Classification (in thousands of dollars)

Identification code 95-8296-0-7-502		1994 actual	1995 est.	1996 est.
11.1	Personnel compensation: Full-time permanent	245	255	260
12.1	Civilian personnel benefits	56	60	63
21.0	Travel and transportation of persons	149	160	170
22.0	Transportation of things	7	8	8
23.1	Rental payments to GSA	46	48	52
23.3	Communications, utilities, and miscellaneous charges	21	24	27
24.0	Printing	46	35	35
25.2	Other services	353	550	500
26.0	Supplies and materials	52	15	18
41.0	Grants, subsidies, and contributions	1,661	2,000	2,000
99.9	Total obligations	2,636	3,155	3,133

Personnel Summary

Identification code 95-8296-0-7-502		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment	5	5	5

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Divider Title: _____

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

DESCRIPTION: The JMMFF was established in 1988 to award fellowships to encourage graduate study of the framing, principles, and history of the American Constitution. An estimated 60 fellowships, up to \$24,000.00 each, will be awarded in FY 1996. Funding for the JMMFF is derived from a trust fund of approximately \$36 million.

FY 1996 BUDGET PROPOSAL: The proposed FY96 Budget provides \$1.5 million for fellowship awards and \$1,033,000 for program administration. Proposed FTE for 1996 are 7, unchanged from the estimated FY95 level.

AGENCY PROPOSAL: Propose maintaining the existing organization.

DECISION OPTIONS:

- A No change; follow the FY96 Budget recommendation
- B Eliminate the JMMFF and apply the trust fund principal to other purposes
- C Identify an appropriate private not-for-profit organization willing and able to administer the trust, at its own expense, in exchange for playing a role in selecting Madison Fellows; the trust would be reduced in size such that it would continue to generate \$1.5 million in interest income per year for fellowships (i.e., to approximately \$23 million, assuming interest is earned @ 6.5% per annum); the remainder of the trust, estimated at \$13 million, would be returned to the Treasury
- D Merge the trust with the other Federal scholarship/fellowship memorials to take advantage of economies of scale in trust and scholarship/fellowship administration; this would yield an estimated windfall of \$36 million for the four memorial foundations under review

ADVISORY GROUP RECOMMENDATION C

RATIONALE The existing memorial structure incurs high administrative costs relative to the amount of money disbursed for scholarships. There are many educational organizations that specialize in administering scholarships and fellowships. Fixed costs associated with trust and scholarship administration can be borne by an appropriate private not-for-profit organization that already incurs fixed costs for such activities. This memorial trust fund will thus leverage private funds to cover administrative expenses. Trust funds currently supporting administrative expenses will be returned to the Treasury. A Federal role in ensuring appropriate selection of scholarships can be maintained through agreement.

Change would require legislation.

STEERING COMMITTEE RECOMMENDATION:

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JAMES MADISON
MEMORIAL FELLOWSHIP
FOUNDATION

**Outline of Options Paper
Prepared for
National Performance Review**

February 28, 1995

Existing Program

The James Madison Memorial Fellowship Foundation was established in 1986 with an initial \$20 million trust fund to encourage outstanding current and future secondary school teachers of American history, American government, and social studies in grades 7 through 12 to undertake graduate study of the roots, framing, principles, and development of the Constitution of the United States. The Foundation thus permanently commemorates the bicentennial of the Constitution and honors James Madison, fourth President of the United States and generally acknowledged "Father of the Constitution and the Bill of Rights."

By law, the Foundation is required to raise additional funds in the private sector. Since 1990, when the first Foundation staff was hired, the trust has grown substantially through donations raised by fund-raising efforts and earnings on the trust. Today, the Foundation's trust is approximately \$38 million.

Senators Edward M. Kennedy and Orrin G. Hatch were the principle sponsors of the Madison Foundation legislation. Since the Foundation's creation, Senator Kennedy has served as the Foundation's Chairman and Senator Hatch has served as the Foundation's Treasurer. Additional board members are appointed by the President including two congressmen, two federal judges and a governor. The Foundation has seven full-time employees, led by the President, Admiral Paul A. Yost, former commandant of the U.S. Coast Guard.

James Madison Fellowships: Fellowship awards constitute the core of the Foundation's programs. The Foundation conducts an annual nationwide competition to select James Madison Fellows. Fellows are selected for their academic achievements and for their desire to be more knowledgeable secondary school teachers of social studies and American history and government. Fellows must have demonstrated an interest in pursuing a course of study which emphasizes the Constitution and Bill of Rights and a willingness to devote themselves to teaching and to civic responsibility.

The Foundation must select annually at least one James Madison Fellow from each state, the District of Columbia, the Commonwealth of Puerto Rico, and, considered as a single entity, Guam, the U.S. Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and, until its compact of free association, the Republic of Palau.

An independent review committee appointed by the Foundation evaluates all valid applications and recommends to the Foundation for appointment as a James Madison Fellow at least one outstanding applicant from each state. James Madison Fellowships are awarded to master's degree candidates as follows:

- Junior Fellowships to college seniors and graduates who wish to become secondary school teachers of American history, American government, or social

studies for full-time graduate study toward a master's degree. Junior Fellows are eligible for up to two calendar years of support with a maximum stipend of \$24,000 prorated over the period of study. In no case can the stipend exceed \$12,000 for one year of study.

- Senior Fellowships to experienced secondary school teachers of American history, American government, or social studies for part-time graduate study during summers or in evening and weekend programs toward a master's degree. Senior Fellows are eligible for up to five calendar years of support up to a maximum stipend of \$24,000 prorated over the period of study.

Summer Institute on the Constitution: James Madison Fellows are required to attend, at the Foundation's expense, a four-week institute in Washington, D.C., during the summer following their first academic year of study under a fellowship. The Institute provides an intensive educational experience focused on the Constitution. It offers the opportunity for both independent and directed study among the capital's unsurpassed resources in American history with some of the nation's leading scholars. In particular, the Institute's program explores in depth the founding era of the Constitution, including those principles to which the framers were committed and upon which the Constitution itself is based, and the ratification process which produced the Federalist Papers, Anti federalist writings, and the Bill of Rights. It also offers exposure to fresh means to convey the Fellows' new knowledge to young students and to other teachers. The 1995 Institute will be held at The American University, which will award six hours of graduate degree credit to each Fellow upon the successful completion of the Institute.

Is this Program or Function Critical to the Agency's Mission based on "Customer" Input?

As stated earlier, the Foundation's sole purpose is to award fellowships and to ensure the promotion of teaching of the U.S. Constitution in the nation's secondary schools. No other foundation or national program currently addresses and meets this need, nor does any other foundation make meeting this need its sole mission. None other has the capacity through stable and continuing programs to offer support for study of the Constitution by both experienced and prospective teachers of social studies and American history and government. None other aims to broaden and deepen teachers' knowledge of the founding principles of the Constitution and to educate them in diffusing that knowledge to students and to colleagues--and thus to their colleagues' thousands of students--throughout the nation. Customer input can be measured by the large demand for these fellowships which results in approximately 4000 requests for fellowship applications and a high level of interest from educators throughout the nation. Based on this input the mission is critical.

Can It Be Done As Well or Better At the State or Local Level?

No, this is a national program with each state participating equally. Currently the Foundation offers one fellowship per state (unless private funding for additional fellowships in various states has been received). Thus, it would not be practical to attempt to operate this program on a state by state basis.

**Is there any Way to Cut Costs or Improve Performance
by Introducing Competition?**

No, this is a very small staff operating a national program. Currently the Foundation is able to respond quickly to any requests it receives from the public. Because the Foundation operates its own programs, several large contracts have been awarded through competitive bidding. For example, the Foundation has a large contract with American College Testing (ACT) to perform the fellowship competition aspect of the program. Additionally, the Foundation has a large contract with The American University to host the annual Summer Institute on the Constitution. The Foundation has a contract for administrative services with GSA. There is competitive bidding process for awarding the first two contracts.

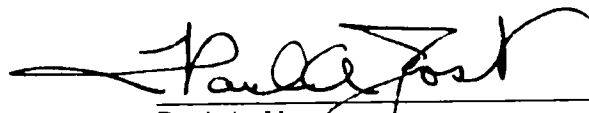
**How can NPR Principles be applied to Put Customers First,
Cut Red Tape, and Empower Employees?**

The Foundation is extremely responsive to any person inquiring about the fellowship program. In addition, the Foundation encourages James Madison Fellows to call directly to the Foundation staff for any help they may need. Response is knowledgeable and timely. Employees are empowered to match the program with the customer's needs in both the academic area and the payment schedule area.

The Foundation staff assures that the Fellows are using their Fellowship Funds properly-- that is, for fellowship expenses. When a fellow is in good academic standing and making progress towards his or her degree, the Foundation responds quickly with fellowship payments. If a Fellow ends his or her fellowship without completed a degree or if he or she defaults their fellowship due to poor academic performance, the Foundation actively recovers all funds provided to that Fellow.

Conclusion

The Foundation has in its short life gained the prestige of being the leading national fellowship program in the American history field. As a result, private donors have provided funds to the Foundation with the understanding that the Federal government would invest their funds which would be used to perpetually fund the teaching of the Constitution. The Foundation trust continues to grow which is allowing the Foundation to gradually increase the number of fellowships it offers each year. Thus, the Foundation is actually adding funds to the Federal Treasury each year as the trust grows. Expenditures have increased proportionately with the growth in the fellowship program, but these expenditures come from private gifts and the interest on the trust fund. This program is lean, effective, customer sensitive and has added approximately \$18 million to the U.S. Treasury in the last five years. It is not the type of program that should be privatized.


Paul A. Yost
Admiral, USCG (Ret.)
President

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

Trust Funds

JAMES MADISON MEMORIAL FELLOWSHIP TRUST FUND

Program and Financing (in thousands of dollars)

Identification code 95-8282-0-7-502		1994 actual	1995 est.	1996 est.
Program by activities:				
00.01	Fellowship awards	672	1,008	1,500
00.02	Program administration	897	986	1,033
10.00	Total obligations	1,569	1,994	2,533
Financing:				
Unobligated balance available, start of year:				
21.40	Treasury balance	62	67	
21.41	U.S. Securities: Par value	-33,219	-35,358	-36,252
Unobligated balance available, end of year:				
24.40	Treasury balance	-67		
24.41	U.S. Securities: Par value	35,358	36,252	36,724
60.27	Budget authority (appropriation) (trust fund, indefinite)	3,703	2,955	3,005
Relation of obligations to outlays:				
71.00	Total obligations	1,569	1,994	2,533
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	109	213	

Identification code 95-8282-0-7-502		1994 actual	1995 est.	1996 est.
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-213		
90.00	Outlays	1,464	2,207	2,533

Public Laws 99-500, 101-208, and 102-221 established the James Madison Memorial Fellowship Foundation to operate a fellowship program to encourage graduate study of the framing, principles, and history of the American Constitution. Appropriations of \$10 million in 1988 and \$10 million in 1989 established the foundation's trust fund. The funds have been invested by the Secretary of the Treasury in U.S. Treasury securities, and the interest earned on these funds is available for carrying out the activities of the foundation. Funds raised from private sources and the surcharges from commemorative coin sales are also placed in the trust fund.

The foundation is authorized to award graduate fellowships of up to \$24,000 to high school teachers of American history, American government, and social studies and to college seniors and recent college graduates who want to become secondary school teachers of these subjects.

Fellowship awards.—This activity is comprised of fellowships awards to cover educational expenses. It also supports the foundation's annual Summer Institute on the U.S. Constitution, which all current fellows are required to attend. The Institute is an intensive educational experience that will ensure that all fellows know the history of the framing, ratification, and implementation of the U.S. Constitution and the Bill of Rights. The foundation awarded 48 fellowships in its inaugural competition in 1992, 59 in 1993, 61 in 1994 and plans to award 60 fellowships in FYs 1995 and 1996.

Program administration.—This activity covers the costs planning, fund-raising, and the operation of the fellowship program.

Object Classification (in thousands of dollars)

Identification code 95-8282-0-7-502		1994 actual	1995 est.	1996 est.
Personnel compensation:				
11.1	Full-time permanent	436	464	
11.3	Other than full-time permanent	19	21	
11.9	Total personnel compensation	455	485	
12.1	Civilian personnel benefits	102	108	
21.0	Travel and transportation of persons	15	45	
22.0	Transportation of things	1	1	
23.2	Rental payments to others	83	88	
23.3	Communications, utilities, and miscellaneous charges	15	24	
24.0	Printing and reproduction	37	28	
25.1	Advisory and assistance services	105	113	
25.2	Other services	35	39	
25.3	Purchases of goods and services from Government accounts	27	26	
26.0	Supplies and materials	14	17	
31.0	Equipment	7	12	
41.0	Grants, subsidies, and contributions	572	1,008	
99.9	Total obligations	1,569	1,994	

Personnel Summary

Identification code 95-8282-0-7-502		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment	7	7	

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Divider Title: _____

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

DESCRIPTION: The CCFF was established in 1992 to award fellowships to individuals - known as Columbus Scholars - who make new discoveries in "all fields of endeavor." The CCFF's funding is derived from a trust fund of approximately \$7.8 million originally raised through the sale of commemorative coins by the U.S. Mint.

FY 1996 BUDGET PROPOSAL: The proposed FY96 Budget provides \$200,000 for fellowship awards and \$220,000 for program administration. Proposed FTE for 1996 is 2, unchanged from the estimated FY95 level.

AGENCY PROPOSAL: The CCFF proposes no changes in its organization or operations.

DECISION OPTIONS:

- A No change; follow the FY96 Budget recommendation.
- B Spend down the corpus over the next five years and terminate.
- C Identify an appropriate private not-for-profit organization willing and able to administer the trust, at its own expense, in exchange for playing a role in selecting Columbus Fellows; the trust would be reduced in size such that it would continue to generate \$200,000 in interest income per year for fellowships (i.e., to approximately \$3.1 million, assuming interest is earned @ 6.5% per annum); the remainder of the trust, estimated at \$4.7 million, would be returned to the Treasury for deficit reduction
- D Merge the trust with the other Federal scholarship/fellowship memorials to take advantage of economies of scale in trust and scholarship/fellowship administration
- E. Not considered a Federal agency since funding came as the result of coin sales to the public.

ADVISORY GROUP RECOMMENDATION B

RATIONALE The existing memorial structure incurs high administrative costs relative to the amount of money disbursed for scholarships. The corpus is not sufficient to be viable over the long term due to the small amount of revenue generated from the coin sales.

Change would require legislation.

STEERING COMMITTEE RECOMMENDATION:

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CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

2001 Jefferson Davis Highway
Crystal Plaza One, Suite 804
Arlington, Virginia 22202
(703) 305-7700
(703) 305-7692 (Fax)

February 27, 1995

BOARD OF TRUSTEES

Frank Annunzio
Chairman

Nancy Randall Clark
Salvador Diaz-Verson, Jr.
John C. Harper
John C. Pierce
Rosalyn B. Queen
William A. Seavey
Thomas K. Thomas
Agnes E. Vaghi
M. Joyce Van Schaack
Chalmers P. Wylie

Judith M. Shellenberger
Executive Secretary

TO: Marv Voskhul, Jay Friedman and Jerry Nikolaus

FROM: Judi Shellenberger

FAX NUMBER: (202) 632-0390

NUMBER OF PAGES: 19

COMMENTS: Per your request.

If this transmission is incomplete, please call (703) 305-7700

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Judith M. Shellenberger
Executive Secretary

TO: Marv Voskhul, Jay Friedman and Jerry Nikolaus
Desk Officers for the National Performance Review

FROM: Judith M. Shellenberger, Executive Secretary
Christopher Columbus Fellowship Foundation

SUBJECT: Scheduling for OMB/NPR Reviews

Per your memorandum of February 17, attached is the Option Paper on the Christopher Columbus Fellowship Foundation.

If you have any questions, please feel free to call me at: (703) 305-7700.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

Christopher Columbus Fellowship Foundation

The Christopher Columbus Fellowship Foundation was created by the Congress of the United States pursuant to P.L. 102-281 on May 13, 1992, to "encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind."

The Foundation is authorized to award fellowships to outstanding individuals who make new discoveries. Recipients shall be known as "Columbus Scholars." The Columbus Foundation's program takes an inclusive view of the meaning of discovery and the "benefit of mankind." No field of human endeavor is seen as outside of the scope of the program's purpose. Science, technology, the professions, music art, medicine, the humanities and the social sciences are all considered within the purview of the program.

Christopher Columbus Quincentenary Coins

The initial funding for the Columbus Foundation was derived from the sale of Christopher Columbus Quincentenary coins commemorating the 500th anniversary of Columbus' discovery of the Americas. The coins were sold by the United States Mint worldwide. During the ten-month coin sales period 1.1 million coins were sold with a profit of \$5.6 million going directly to the U.S. Treasury.

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These coins were purchased by the general public with the assurance that the proceeds from the coin sales would go toward the establishment of the Christopher Columbus Fellowship Foundation. A marketing brochure issued by the U.S. Mint stated: "A portion of the proceeds from the sale of these coins will be deposited in the Columbus Fellowship Fund. The Fellowship Foundation will provide scholarships to those individuals who work in new areas of discovery for the benefit of mankind." (Copy enclosed)

The Columbus Foundation presently maintains a \$7.8 million trust fund at the Department of the Treasury. The Columbus Foundation operates at no cost to the Federal government. The Foundation's annual operating expenses of approximately \$150,000 are paid out of the interest earned from the trust fund, with the remaining funds available for fellowships.

Board of Trustees

The Foundation is subject to the supervision and direction of a 13-member Board of Trustees. Membership on the Board is determined as follows:

- five members appointed by the President;
- two members appointed by the President pro tempore of the Senate;
- two members appointed by the Minority Leader of the Senate;
- two members appointed by the Speaker of the House of Representatives;
- two members appointed by the Minority Leader of the House of Representatives

- 3 -

Seven members were appointed to the Board on January 19, 1993, by former President Bush. A change in chairmanship took place on May 25, 1994, when President Clinton appointed former Congressman Frank Annunzio as Chairman. Two members resigned from the Board in the Fall of 1994 leaving the Board without a majority of members until December 1994 when President Clinton appointed four new members to the Board bringing the membership to nine.

Board members serve without receiving a salary, and are only reimbursed for travel and lodging expenses incurred while on Foundation business.

Fellowship Programs

Attached are draft position papers on the Foundation's proposed fellowship programs. These position papers are presently being reviewed by the Board of Trustees for final approval.

The Columbus Foundation's mission is to reward American individuals whose past, present and future work has or promises to make a significant impact on the lives of others through innovation and creativity.

Science in the National Interest

In August 1994, the White House issued a position paper entitled "Science in the National Interest." The Columbus Foundation has accepted the White House challenge of promoting scientific discoveries by sponsoring teacher/student interns at the new Columbus Center in Baltimore, Maryland. The Columbus Center will be "an international focal point for the science of marine biotechnology and related academic and industry activity. The Center will ensure American leadership in leading-edge research and development, while simultaneously creating a new model for urban education and job training."

- 4 -

The educational program the Columbus Foundation is sponsoring at the Columbus Center will support both teachers and students. Teachers will spend their internship gaining knowledge in the area of marine biotechnology which they will take back to their classrooms to instill the excitement and mystery of science and nature in their students.

The second part of the program is to conduct joint programs with area schools, colleges and universities with emphasis on inner-city youth. The desired effect is to bring the field of science and its wonders to disadvantaged inner-city students and allow them an opportunity to discover an environment not readily available to them. The students will receive hands-on guidance from trained scientists and lab technicians who will be conducting actual research into marine biotechnology.

The actual curriculum on the education program is still in the developmental stage and will be implemented during the Fall of 1995.

United Nations 50th Anniversary

The Columbus Foundation is also cosponsoring an interfaith youth conference in conjunction with the United Nations 50th Anniversary celebration June 22-25, 1995, in San Francisco, California. The theme of the conference is *Rediscovering Justice*, and the 200 youth participants will address the question of: "How the United Nations model of dialogue and partnership among nations challenge youth and the world's religions to a new mutuality in addressing issues of war and peace; ecological justice; and poverty, race and ethnicity."

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Personnel

The Foundation presently employs one full-time employee at an annual salary of \$70,000 plus civilian personnel benefits which are paid by the Foundation. This employee handles all function of the Foundation from administrative to program implementation. The members of the Board of Trustees are also actively involved in the functions of the Foundation.

Summary

The Columbus Foundation operates entirely on an endowment of approximately \$7.8 million, which was derived from a surcharge placed on each Christopher Columbus Quincentenary coin sold. The endowment, invested in U.S. Treasury bills and notes, allows the Foundation to operate at no cost to the taxpayers. The Columbus Foundation's unique mission is to award fellowships designed to encourage and support new discoveries in all fields of endeavor for the benefit of mankind.

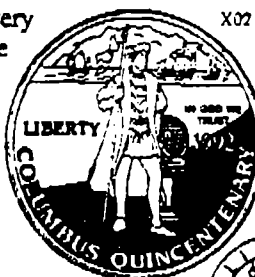


1992 Columbus Quincentenary Coins

**Celebrate the Discovery
of the Americas. The**

U.S. Mint has captured this historical voyage and the courageous man who led it on three beautiful commemorative coins. A portion of the proceeds from the sale of these coins will be deposited in the Columbus Fellowship Fund.

The Fellowship Foundation will provide scholarships to those individuals who work in new areas of discovery for the benefit of mankind.



To order, return this form or call toll free **1-800-323-1900**

Silver-Dollar Coin: Actual size 1.500 inches in diameter. Weight 26.73 grams. Composition 90% silver (.76 troy ounce), 10% copper.

Half-Dollar Coin: Actual Size 1.205 inches in diameter. Weight 11.34 grams. Composition 92% copper, 8% nickel. **Gold Five-Dollar Coin:** Actual Size .850 inches in diameter.

Weight 8.359 grams. Composition
90% gold (.24 tray ounce),
10% alloy.



02/27/1995 09:21 7033057892 COLUMBUS FOUNDATION

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

"FRONTIERS OF DISCOVERY"

COLUMBUS SCHOLAR PROGRAM

PURPOSE

The Christopher Columbus Fellowship Foundation was created by the Congress of the United States in 1992, as an independent establishment of the Executive Branch to "encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind."

Activities of the Foundation are supported by a special trust fund in the United States Treasury which was created from the proceeds of the sale of Christopher Columbus commemorative quinqucentenary coins sold by the United States Mint during the 500th anniversary of Columbus' discovery of the Americas.

The Foundation's program takes an inclusive view of the meaning of discovery and the "benefit of mankind." No field of human endeavor is seen as outside of the scope of the program's purpose. Science, technology, the professions, music, art, medicine, the humanities and the social sciences are all considered within the purview of the program.

More important than the intellectual domain within which the individual resides is the significance of the "discovery" he or she has produced. That discovery, whether past, present or future, must be clear and unequivocal, and must be broadly recognized within a field of endeavor and beyond. The discovery must represent or promise a significant step forward from current knowledge or practice.

PARTICIPANTS

Recipients of Christopher Columbus Fellowship Foundation fellowships shall be known as Columbus Scholars, and will be awarded exclusively to living United States citizens.

The Foundation's **Frontiers of Discovery** Columbus Scholar Program focuses on rewarding the **individual**, rather than an institution or an organization. While the program will reward individuals within an institutional context, as well as those outside of it, the Foundation nonetheless is committed to identifying **individuals** whose work has or promises to make a significant impact on the lives of others through innovation, creativity and risk taking.

The Foundation does not restrict the awards to individuals formally associated with public or private institutions. While many significant discoveries occur in the context of government, foundation, university or corporate activities, the Christopher Columbus Fellowship Foundation also affirms the belief that many important developments are the product of the individual person working alone and outside of the institutional environment.

PROGRAMS

In order to support a broad spectrum of potential discoverers, the Foundation has developed three distinct **Frontiers of Discovery** programs: 1) Discoveries of the Past, 2) Discovery at Work and 3) Discover the Future.

Discoveries of the Past

This program makes a single award of \$50,000 each year to one living individual whose discovery or series of discoveries can be shown to have made a significant improvement in the lives of other people. There are no age or experience limitations. However, sufficient time must have elapsed since the discovery for it to be apparent that a significant and reasonably permanent impact has been established.

The evidence for concluding the significance of the impact of the discovery may be quite varied. However, the benefits must be evident beyond a small circle of people involved in the work and must be supported by testimony from others in the field and those in areas affected by the discovery, and to the extent possible supported by tangible outcomes.

Nominations for this award must be submitted by individuals other than the nominee. The broader the scope of evidence submitted to support a nomination, the more probable a successful nomination will result.

Discovery at Work

This program supports individuals in their current and ongoing work showing significant promise resulting in important discovery. In this program, the applicant must demonstrate a program of ongoing work with specific results suggesting that an important discovery will result. The applicant must be able to document the program to date, identify the remaining work to be accomplished, substantiate the claim to the likely impact of the promised discovery, and delineate clearly and convincingly how the Columbus Scholar award will lead to the completion of the proposed project discovery.

Each applicant must provide a number of names of others who can attest to the progress of the project, the qualifications of the applicant, the importance of the outcome and the likelihood of the Columbus Scholar award being crucial to the completion of the project.

As in other areas of the program, no limit is placed on the domain within which the project falls, but the significance will be determined by the Board of Trustees of the Foundation.

- 3 -

In the ***Discovery at Work*** program the individual may work alone, with a team or may be employed by a large organization or institution. However, the contribution of the individual to the promised discovery must be clear, identifiable and substantial.

Each year a single award of \$50,000 will be made to one recipient. This award will not support institutional administrative activities or indirect cost returns.

Discover the Future

This program is designed to provide resources to young people with substantial promise of discovery during the course of their lives. These resources may be directed at high school, college, graduate or early post-doctoral individuals. While the awards must be given to individuals, institutions are encouraged to submit proposals for programs through which individuals of promise may be identified, rewarded, encouraged and nurtured, and how the Columbus Scholar award will be used to accomplish those goals.

The institution must document the fairly specific outcomes of their program in terms of the kinds of discoveries and their impact. Institutions applying for this award must show how the proposed project is consistent with their ongoing purpose, and must commit to both: 1) an equal matching during the award period; and 2) sustain the program beyond the one-year time frame with either institutional resources or the acquisition of other external resources.

CRITERIA

An applicant applying for a Christopher Columbus Fellowship Foundation Columbus Scholar award must adhere to the following criteria in order to be considered.

- Recipients must be living United States citizens.
- There are no age or experience limitations.
- No field of human endeavor is seen as outside of the scope of the program's purpose. Science, technology, the professions, music, art, medicine, the humanities and the social sciences are all considered with the purview of the program.
- The discovery, whether past, present or future, must be clear and unequivocal, and must be broadly recognized within a field of endeavor and beyond.
- The discovery must represent or promise a significant step forward from current knowledge or practice.
- The discovery's significance will be determined by the Board of Trustees of the Christopher Columbus Fellowship Foundation.
- The Foundation is committed to identifying **individuals** whose work has or promises to make a significant impact on lives of others through innovation, creativity and risk taking.
- Individual awards presented in three categories:
 - 1) **Discoveries of the Past** - Awarded to living individuals whose discovery or series of discoveries can be shown to have made a significant improvement in the lives of other people.

Requirements:

- a) sufficient time must have elapsed since the discovery for significant and reasonably permanent impact to be established;
- b) benefits must be evident beyond a small circle of people involved in the work and must be supported by testimony from others in the field and those areas affected by the discovery;
- c) nominations must be submitted by individuals other than nominee.
- d) tangible evidence of the discovery should be submitted when possible.

- 2 -

2) Discovery at Work - Awarded to individuals to support their current and ongoing work showing significant promise resulting in important discovery.

Requirements:

- a) must demonstrate a program of ongoing work with specific results suggesting an important discovery will result;
- b) must document the program to date and identify the remaining work;
- c) substantiate the discovery claim of impact on mankind;
- d) clearly explain how the Columbus Scholar award will lead to the completion of the discovery;
- e) provide list of persons who can attest to the progress of the project, qualifications of the applicant and the importance of the award on the completion of the discovery;
- f) individual may work alone, with a team or may be employed by a large organization or institution. However, the contribution of the individual to the promised discovery must be clear, identifiable and substantial.

3) Discover the Future - Provides resources to young people with substantial promise of discovery during the course of their lives.

Requirements:

- a) institutions are encouraged to submit proposals for programs through which individuals of promise may be identified, rewarded, encouraged and nurtured and how the Columbus Scholar award will accomplish those goals;
- b) institution must document specific outcome of discovery and its impact;
- c) institution must show how proposed discovery is consistent with its ongoing purpose;
- d) institution must commit to an equal matching during the award period;
- e) institution must sustain the program beyond the one-year time frame with either institutional resources or the acquisition of other external resources.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

COLUMBUS SCHOLAR PROGRAM

DISCOVERIES OF THE PAST

The Discoveries of the Past program makes a single award of \$50,000 each year to one living individual whose discovery or series of discoveries can be shown to have made a significant improvement in the lives of other people. There are no age or experience limitations. However, sufficient time must have elapsed since the discovery for it to be apparent that a significant and reasonably permanent impact has been established.

The discovery's benefits must be evident beyond a small circle of people involved in the work, and must be supported by testimony from others in the field and those in areas affected by the discovery, and to the extent possible supported by tangible outcomes.

The program takes an inclusive view of the meaning of discovery and the "benefit of mankind." No field of human endeavor is seen as outside of the scope of the program's purpose.

The evidence for concluding the significance of the impact of the discovery may be quite varied. In the case of science and technology, the evidence may be quite tangible, as in patents, trademarks and copyrights. In the case of music and art, discovery may be demonstrated by the diffusion of approaches, ideas and concepts throughout the relevant constituency (e.g. other musicians, artists, audiences, lay people.) In social sciences and humanities, the discovery may be a particular paradigm or way of looking at the world that has completely redirected one or more disciplines.

- 2 -

The program does not restrict the award to an individual formally associated with a public or private institution. The Christopher Columbus Fellowship Foundation affirms the belief that many important developments are the product of the individual person working alone and outside of the institutional environment.

Nominations for this award must be submitted by individuals other than the nominee. The broader the scope of evidence submitted to support a nomination, the more probable a successful nomination will result.

Nomination forms and a description of the selection process and criteria may be obtained by writing:

**Christopher Columbus Fellowship Foundation
2001 Jefferson Davis Highway, Suite 804
Crystal Plaza One
Arlington, Virginia 22202
(703) 305-7700**

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

COLUMBUS SCHOLAR PROGRAM

DISCOVERY AT WORK

The Discovery at Work program supports current and ongoing individuals and their work showing significant promise resulting in important discovery.

Each year a single award of \$50,000 will be made to one recipient. This award will not support institutional administrative activities or indirect cost returns.

The applicant must demonstrate a program of ongoing work with specific results suggesting that an important discovery will result. The applicant must be able to document the program to date, identify the remaining work to be accomplished, substantiate the claim to the likely impact on mankind of the promised discovery, and delineate clearly and convincingly how the Columbus Scholar award will lead to the completion of the proposed project discovery.

Each applicant must provide names of references who can attest to the progress of the project, the qualifications of the applicant, the importance of the outcome, and the likelihood of the Columbus Scholar award being crucial to the completion of the project.

The program takes an inclusive view of the meaning of discovery and the "benefit of mankind." No field of human endeavor is seen as outside of the scope of the program's purpose.

- 2 -

The evidence for concluding the significance of the impact of the discovery may be quite varied. In the case of science and technology, the evidence may be quite tangible, as in patents, trademarks and copyrights. In the case of music and art, discovery may be demonstrated by the diffusion of approaches, ideas and concepts throughout the relevant constituency (e.g. other musicians, artists, audiences, lay people.) In social sciences and humanities, the discovery may be a particular paradigm or way of looking at the world that has completely redirected one or more disciplines.

The program does not restrict the award to an individual formally associated with a public or private institution. The Christopher Columbus Fellowship Foundation affirms the belief that many important developments are the product of the individual person working alone and outside of the institutional environment.

Application forms and a description of the selection process and criteria may be obtained by writing:

**Christopher Columbus Fellowship Foundation
2001 Jefferson Davis Highway, Suite 804
Crystal Plaza One
Arlington, Virginia 22202
(703) 305-7700**

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

COLUMBUS SCHOLAR PROGRAM

DISCOVER THE FUTURE

The Discover the Future program is designed to provide resources to young people with substantial promise of discovery during the course of their lives. These resources may be directed at high school, college, graduate or early post-doctoral individuals.

While the Columbus Scholar award must be given to individuals, institutions are encouraged to submit proposals for programs through which individuals of promise may be identified, rewarded, encouraged and nurtured and how they will use the Columbus Scholar award to accomplish those goals.

The institution must document the fairly specific outcomes of their program in terms of the kinds of discoveries and their impact. Institutions applying for the Columbus Scholar award must show how the proposed project is consistent with their ongoing purpose, and must commit to both: 1) an equal matching during the award period; and 2) sustaining the program beyond the one-year time frame with either institutional resources or the acquisition of other external resources.

The monetary value for each Columbus Scholar award will be determined on a case-by-case evaluation.

The program takes an inclusive view of the meaning of discovery and the "benefit of mankind." No field of human endeavor is seen as outside of the scope of the program's purpose.

The evidence for concluding the significance of the impact of the discovery may be quite varied. In the case of science and technology, the evidence may be quite tangible, as in patents, trademarks and copyrights. In the case of music and art, discovery may be demonstrated by the diffusion of approaches, ideas and concepts throughout the relevant constituency (e.g. other musicians, artists, audiences, lay people.) In social sciences and humanities, the discovery may be a particular paradigm or way of looking at the world that has completely redirected one or more disciplines.

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(703) 305-7700**

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

Trust Funds

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

Program and Financing (in thousands of dollars)

Identification code 76-8187-0-7-502		1994 actual	1995 est.	1996 est.
Program by activities:				
00.01	Program administration	117	147	220
00.02	Scholarship awards		180	200
10.00	Total obligations	117	327	420
Financing:				
Unobligated balance available, start of year:				
21.40	Treasury balance	-20	-15	
21.41	U.S. Securities: Par value	-7,595	-7,756	-7,730
Unobligated balance available, end of year:				
24.40	Treasury balance	15		
24.41	U.S. Securities: Par value	7,756	7,730	7,755
60.27	Budget authority (appropriation) (trust fund, indefinite)	274	286	445
Relation of obligations to outlays:				
71.00	Total obligations	117	327	420
Obligated balance, start of year: Unpaid obligations:				
72.40	Treasury balance	5	6	
Obligated balance, end of year: Unpaid obligations:				
74.40	Treasury balance	-6		
90.00	Outlays	116	333	420

Public Law 102-281 established the Christopher Columbus Fellowship Foundation "to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind." Surcharges from Christopher Columbus Quincentenary coins are placed in the Foundation's trust fund. Interest from the trust fund will be used to operate the Foundation's program.

The Foundation's Board of Trustees will initiate the program in 1995.

Object Classification (in thousands of dollars)

Identification code 76-8187-0-7-502		1994 actual	1995 est.	1996 est.
11.1	Personnel compensation: Full-time permanent	47	70	120
12.1	Civilian personnel benefits	8	12	21
21.0	Travel and transportation of persons	15	15	20
23.2	Rental payments to others	19	18	19
23.3	Communications, utilities, and miscellaneous charges	3	4	4
24.0	Printing and reproduction	1	2	5
25.2	Other services	2	1	1
25.3	Purchases of goods and services from Government accounts	17	20	25
26.0	Supplies and materials	3	3	3
31.0	Equipment	2	2	2
41.0	Grants, subsidies, and contributions		180	200
99.9	Total obligations	117	327	420

Personnel Summary

Identification code 76-8187-0-7-502		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment	1	2	2

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Divider Title: _____

STUDENT LOAN MARKETING ADMINISTRATION

DESCRIPTION:

Sallie Mae is a government-sponsored for-profit corporation. It was chartered by the Federal government in 1972 to make a secondary market in student loans and to conduct related activities designed to increase the availability of student loans.

FY 1996 BUDGET PROPOSAL:

The proposed gross budget authority for FY96 is \$14.995 billion, a decrease of \$418 million over FY95. Financing comes from offsetting collections (\$14.5 million) and indefinite borrowing authority (\$495,000).

AGENCY PROPOSAL:

Sallie Mae has proposed that it be restructured as a "completely private sector enterprise." A proposed new state-chartered entity would serve as a holding company for the existing Federally-chartered entity (for the purpose of liquidating debt previously issued with government-sponsored attributes) and for other private, state-chartered affiliates. The latter entities would be free to continue in the student loan business and to pursue new, unspecified business opportunities.

DECISION OPTIONS:

A report on Sallie Mae's privatization proposal is being jointly prepared by the Departments of Education and Treasury. The report is being coordinated with the White House (Bill Gallston) and OMB (Barry White). The report will reportedly contain draft legislation which, if adopted, would accomplish Administration objectives relating to Sallie Mae and Federal education lending. In a letter dated August 23, 1994, the Secretary of Education and the then Secretary of the Treasury informed Senator Kennedy that they "intend to submit, early in the 104th Congress, a legislative recommendation to the House and Senate on the future of Sallie Mae."

ADVISORY GROUP RECOMMENDATION:

Take no action pending completion of the referenced report.

RATIONALE:

Substantial effort has been dedicated to producing a cohesive and persuasive Administration position on Sallie Mae's future. No action should be taken pending completion of this effort.

STEERING COMMITTEE RECOMMENDATION:

RESTRUCTURING SALLIE MAE

Prepared by the Student Loan Marketing Association

SEPTEMBER 1994

OVERVIEW

Sallie Mae (Student Loan Marketing Association) is a government-sponsored, for-profit, shareholder-owned corporation that operates under a restrictive federal charter established in 1972 to help ensure adequate private sector funding for federally guaranteed education loans. In fulfilling its Congressional mandate over the past 22 years, Sallie Mae has become one of the nation's largest financial services companies and a major source of education loan funds, with more than \$50 billion in assets. The corporation provides financing for education loans primarily by making a secondary market in such loans and providing related financial and operational support to lending and educational institutions. However, the need for a government-sponsored secondary market for guaranteed student loans has greatly diminished with the evolution of a competitive education credit industry and the decision to at least partially replace the federal program Sallie Mae was created to support.

Since early 1993, the market value of Sallie Mae to its equity investors has been dramatically reduced. The price of the corporation's stock has fallen by more than 50 percent as a consequence of the recent shift in government policy from a bank-based guaranteed loan program to a direct federal lending program and the reductions in guaranteed loan profitability. As direct lending is phased in, timely legislative action is required to give Sallie Mae the flexibility to reposition the corporation and redeploy its private equity capital—individual and institutional savings—productively.

The most effective way to meet the needs of students, schools, lenders, Sallie Mae investors and taxpayers is for Congress to authorize a restructuring of the corporation as a completely private sector enterprise. Such restructuring would be effected in tandem with the full pay-down of the corporation's debt issued with government-sponsored attributes, over an approximately seven to ten year period after legislative action. It would involve the creation of a new state-chartered entity to act as a holding company for the existing federally-chartered entity and for new, fully private, state-chartered affiliates. These affiliates would continue Sallie Mae's student loan business without the advantages of federal sponsorship and would explore and pursue new business opportunities for which federal sponsorship is unnecessary.

MISSION ACCOMPLISHED

At the time of Sallie Mae's creation, access to students loans throughout the nation was uneven because many primary lenders were reluctant to participate in the guaranteed student loan program (today called the Federal Family Education Loan Program, or FFELP). For those lenders, the unique terms and structures of the loans made them unattractive to hold and there was no existing secondary market into which they could be sold following origination. In launching Sallie Mae, it was Congress' intent to overcome lender reluctance to participate in this program by creating a government-sponsored enterprise (GSE) to provide such a secondary market. Sallie Mae's role was to attract funding from the private capital markets for this publicly beneficial purpose—enhancing access to post-secondary education credit.

By every measure, Sallie Mae has successfully accomplished its mission in leading the way to the development of a vibrant secondary market through which funding is readily available for FFELP loans. Throughout the nation, there is now ample funding and competition in the student loan marketplace. Today, virtually any eligible student has access to education loans from a national network of private sector lenders. In 1993 alone, such lenders originated nearly \$18 billion of insured education loans (compared with little more than \$1 billion of originations in 1972), and loans outstanding at the end of 1993 totalled nearly \$70 billion.

In addition to Sallie Mae, forty-two other secondary markets throughout the nation help finance student loans. Securitization, a financial tool that uses pools of student loans as collateral, has provided primary lenders with yet another means of tapping public markets directly for funding of loans they originate. Furthermore, in the past year the decision to implement a program of direct federal lending to replace at least 60 percent of the existing program has significantly reduced the need for a federally-chartered secondary market. At the same time, this initiative has had a dramatic impact on Sallie Mae's ability to generate acceptable long-term returns to its shareholders whose equity investment in the corporation has made possible its secondary market activities and its high quality servicing operations.

RE-EXAMINING SALLIE MAE'S ROLE

The development of the student loan industry and the changes in the FFELP raise fundamental questions about the ongoing need for a GSE in the student loan market. The principal advantage of a GSE is its ability to raise large amounts of capital cost-effectively. The recent development of student loan securitization has added to the increasingly competitive nature of the student loan secondary markets. This competitiveness reflects to a large degree the evolution of the capital and financial markets in the last two decades and the economy's diminishing need for a dedicated, highly specialized source of liquidity for student loans. This need will be reduced even further as direct lending is phased in. Congress appears to have confirmed this in its recent imposition of a special tax or "offset fee" on Sallie Mae's future student loan acquisitions, a tax unique to Sallie Mae above and beyond the full federal corporate income tax requirements to which it has always been subject.

Additionally, the phase-in of direct lending leaves Sallie Mae with few long-term business options under its current charter aside from a limited scope of academic facilities financing activities and loan processing functions. In the short run, the corporation will continue to support the FFELP market and maintain its student loan business. However, the large anticipated reduction in the FFELP market would inevitably leave Sallie Mae with significantly diminished opportunities for the financing activities for which its GSE attributes were designed.

The situation in which Sallie Mae now finds itself is unique. Its charter has gone through an evolutionary process over the course of which the corporation has shed several of its original GSE attributes, e.g., the full faith and credit backing of its debt obligations, borrowings from the Federal Financing Bank, and the restrictions on its voting common stock. Today, its balance sheet and operations are strong—and can stand alone without federal sponsorship in the private sector marketplace. Moreover, its GSE mission has been accomplished and the public policy on which its residual ties to the government were predicated has been replaced with the enactment of direct lending. In this context, it is now timely for Congress to address the final phase in Sallie Mae's GSE lifecycle, namely, the establishment of a sunset on the corporation's federal charter.

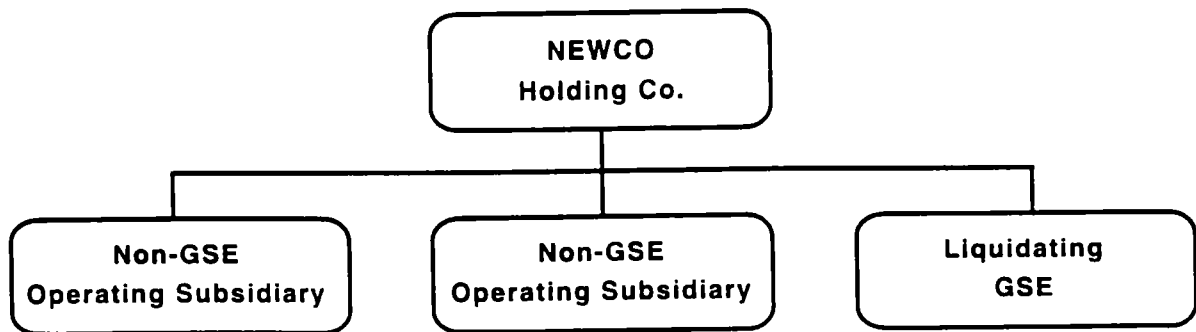
DESIGN PRINCIPLES

From an economic and policy standpoint, the programming of a sunset on Sallie Mae's federal charter should protect the stability of the student loan program and the position of GSE bondholders while permitting the investors, managers and employees of Sallie Mae to preserve and develop the value of the capital invested in Sallie Mae as a going concern. To meet these goals, an orderly and gradual corporate restructuring is the optimum path to a Sallie Mae future that assures continued strong and flexible support for the education credit market and the viability of meaningful long-term returns to investors. The end-product of this restructuring would be the creation of a wholly private sector-based firm. Several principles should guide the restructuring design and process:

- Stability must be maintained in the student loan market. Thus, at a minimum, Sallie Mae should be able to maintain its secondary market presence in the changing FFELP industry as a fully private participant.
- Perceived taxpayers' liability relating to outstanding GSE obligations should be minimized and eventually eliminated.
- The GSE attributes and status of outstanding bonds must be explicitly preserved for contractual and constitutional reasons as well as to ensure the financing stability of Sallie Mae and other GSE's.
- The private entity created through restructuring should not have any legal or regulatory advantages over its market competitors.
- Restructuring should occur sufficiently early to allow meaningful lead time for the development of a viable business diversification strategy.

CORPORATE RESTRUCTURING MODEL

A corporate restructuring consistent with these principles could be accomplished through the creation of a simple holding company structure. The process would begin with the incorporation under state law of a new fully-private, general purpose corporation. Such a corporation would exchange its shares for all the shares held by Sallie Mae stockholders and thus become a holding company for the GSE entity. One or more other state-chartered holding company subsidiaries could then be created. Sallie Mae's employees and non-financial assets would be transferred to such non-GSE subsidiaries where all new business activity would occur. The organizational structure is characterized in the following diagram:



Funding of the new business activity would come from such equity capital as would no longer be required by the GSE unit and from the issuance of non-GSE corporate debt and off-balance sheet securitization. As GSE student loan and other financial assets matured or were paid off, the GSE would maintain required capital levels and eventually self-liquidate. In the interim, the GSE would provide stand-by assurance to the government that stability in the student loan market could be maintained. Such a restructuring process could occur over a flexible seven to ten year time frame during which the new corporation could begin to diversify its funding sources and business activities while continuing its leadership role in the education credit markets.

The feasibility of converting Sallie Mae from a GSE to a non-GSE business depends principally on financing and capital adequacy issues. Sallie Mae's GSE status has given it ready access to plentiful financing sources and has allowed it to operate at relatively low capital levels. As a fully private company, Sallie Mae's cost of funds and capital requirements would both increase. Some of the increase may be offset by the fact that the non-GSE business would not be subject to the 0.30 percent per annum special tax on student loans acquired by Sallie Mae after October 1993. In addition, the corporation would have access to alternative financing sources, such as securitization. Most importantly, Sallie Mae must have the resources and ability to

pursue supplemental businesses that generate acceptable long term returns to its equity investors in the context of a rapidly shrinking FFELP franchise. If the liquidation value of the business (as a GSE or a non-GSE) were to exceed its value as a going concern, the education credit market could be at risk of losing a highly competitive participant.

Sallie Mae has been closely examining the financing and capitalization issues involved in a corporate restructuring. Based on a range of reasonable economic and business assumptions and preliminary judgments relating to what levels of capital would be required to achieve a desirable credit rating, its analyses conclude that adequate financing and capital would be available to enable Sallie Mae to continue its projected student loan secondary market activity as a non-GSE and to otherwise facilitate the development of new business lines during a seven to ten year transition period. The length of the transition period takes into account not only the estimated six to eight years to allow for the maturing of most of Sallie Mae's outstanding debt obligations, but an initial one to three years for Congressional and shareholder approval for the proposed restructuring plan.

BENEFITS AND BENEFICIARIES

The proposed restructuring can be accomplished without risk to the higher education system, Sallie Mae bondholders, students or taxpayers or adverse competitive consequences. Moreover, restructuring Sallie Mae would have the advantage of reducing the government's risk exposure. As the transition to privatization occurred and as the GSE began to self-liquidate, new GSE debt issuances would be significantly curtailed and outstanding obligations would gradually mature. Thus, any perceived implicit taxpayer liability for the outstanding debt would decline over time as the debt was retired or matured. The principal beneficiaries of a corporate restructuring along the lines outlined above would be:

- *Schools* which would benefit through preservation and expansion of the corporation's financial services and application of Sallie Mae's technological expertise to other campus needs.
- *Students* who would benefit through maintenance and continued enhancement of Sallie Mae's high quality loan servicing operation.
- *Taxpayers* who would benefit from the elimination of the perceived implicit liability for almost \$50 billion in GSE debt.
- The *federal government* which would benefit through maintenance of Sallie Mae's capabilities as a lender of last resort in the interim and ultimately through the successful transitioning of a GSE to a viable private entity.
- *Investors*, including public and private pension funds, education institutions, non-profit organizations and individuals, who would benefit through expansion of Sallie Mae's long-range business opportunities.
- Sallie Mae's 4,600 *employees* located in nine states and the District of Columbia, who would enjoy continued employment while providing ongoing exemplary service to Sallie Mae *customers* in higher education, banking, government and other sectors of the economy.

- The *economy* which would gain through transfer of Sallie Mae's knowledge of the higher education community and its technology and transaction processing skills to other high priority activities.

For the foregoing reasons, Sallie Mae believes that a corporate restructuring and the eventual sunset of its federal charter can be a win-win proposition. The company is looking forward to working with the Administration and Congress on a legislative plan through which to implement, with shareholder approval, a near-term restructuring of its franchise.

GOVERNMENT-SPONSORED ENTERPRISES

This chapter contains descriptions of and data on the Government-sponsored enterprises listed below. These enterprises were established and chartered by the Federal Government. They are not included in the Federal budget because they are classified as being private. However, because of their relationship to the Government, detailed statements of financial operations and condition are presented, to the extent such information is available, on a basis that is as consistent as practicable with the basis for the budget data of Government agencies. These statements are not reviewed by the President; they are presented as submitted by the enterprises.

- The Student Loan Marketing Association is a for-profit financial corporation chartered by Congress in 1972 under the Higher Education Act (HEA) to help increase the availability of student loans. Sallie Mae carries out secondary market and other functions.
- The College Construction Loan Insurance Association is organized as a private, for-profit insurance corporation to guarantee and insure bonds and loans made for construction and renovation of college and university facilities. The Corporation was established by, but was not chartered by, the Federal Government.
- The Federal National Mortgage Association provides supplementary assistance to the secondary market for home mortgages. The Federal Home Loan Mortgage Corporation provides a secondary market for mortgage lenders. Both are supervised by the Department of Housing and Urban Development for their roles in helping to finance low- and moderate-income housing; both are regulated for financial safety and soundness by the newly established Office of Federal Housing Enterprise Oversight.
- The Banks for Cooperatives and Farm Credit Banks provide financial assistance to agriculture. They are supervised by the Farm Credit Administration.
- The Federal Agricultural Mortgage Corporation, under the supervision of the Farm Credit Administration, provides a secondary mortgage market for agricultural real estate and certain rural housing loans as well as for farm and business loans guaranteed by the U.S. Department of Agriculture.
- The Federal Home Loan Banks assist thrift institutions, banks, and credit unions and are supervised by the Federal Housing Finance Board.
- The Financing Corporation functions as a financing vehicle for the FSLIC Resolution Fund. It operates under the supervision and control of the Federal Housing Finance Board.
- The Resolution Funding Corporation provides financing for the Resolution Trust Corporation (RTC) and is subject to the general oversight and direction of the Oversight Board of the RTC.

The Board of Governors of the Federal Reserve System is not a Government-sponsored enterprise, but its transactions also are not included in the budget because of its unique status in the conduct of monetary policy. The Board provides data on its administrative budget on a calendar year basis, which is included here for information. Its budget schedules and statements are not subject to review by the President.

DEPARTMENT OF EDUCATION

STUDENT LOAN MARKETING ASSOCIATION

Program and Financing (in thousands of dollars)

Identification code 99-1500-0-3-502		1994 actual	1995 est.	1996 est.
Program by activities:				
Operating expenses:				
00.01	Interest expense	1,892,495	1,987,000	2,086,000
00.02	Administrative expenses and taxes	506,936	558,000	603,000
00.91	Total operating expenses	2,399,431	2,545,000	2,689,000
Capital investment:				
01.01	Loans, etc	11,258,773	12,167,762	11,556
01.02	Investments, dividends, and other assets	3,115,991	700,000	750,000
01.91	Total capital investment	14,374,764	12,867,762	12,306,000
10.00	Total obligations	16,774,195	15,412,762	14,995,000
Financing:				
39.00	Budget authority (gross)	16,774,195	15,412,762	14,995,000
Budget authority:				
67.15	Authority to borrow (indefinite)	6,106,231	2,412,762	495,000
68.00	Spending authority from offsetting collections	10,667,964	13,000,000	14,500,000
Relation of obligations to outlays:				
71.00	Total obligations	16,774,195	15,412,762	14,995
Obligated balance, start of year:				
72.10	Receivables from other government accounts	-1,549,493	-2,448,057	-2,375,000
72.91	U.S. Securities: Par value	768,639	1,239,733	1,204,000
Obligated balance, end of year:				
74.10	Receivables from other government accounts	2,448,057	2,375,000	2,256,000
74.91	U.S. Securities: Par value	-1,239,733	-1,204,000	-1,262,000
87.00	Outlays (gross)	17,201,665	15,375,438	14,818,000
Adjustments to gross budget authority and outlays:				
88.40	Offsetting collections from: Non-Federal sources	-10,667,964	-13,000,000	-14,500,000
89.00	Budget authority (net)	6,106,231	2,412,762	495
90.00	Outlays (net)	6,533,701	2,375,438	318,000

Status of Direct Loans (in thousands of dollars)

Identification code 99-1500-0-3-502		1994 actual	1995 est.	1996 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	11,258,773	12,167,762	11,556,000
1150	Total direct loan obligations	11,258,773	12,167,762	11,556,000
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	34,585,483	38,071,359	40,416,762
1231	Disbursements: Direct loan disbursements	11,258,773	12,167,762	11,556,000
1251	Repayments, Repayments and prepayments	-7,836,844	-9,892,000	-11,458,000
1264	Write-offs for default: Other adjustments, net	63,947	69,641	77,000
1290	Outstanding, end of year	38,071,359	40,416,762	40,591,762

¹ Amortization of discount on purchased loans.

The Student Loan Marketing Association (Sallie Mae), a shareholder-owned corporation, was created by the Education Amendments of 1972 to expand funds available for student loans by providing liquidity to lenders engaged in the Federal

STUDENT LOAN MARKETING ASSOCIATION—Continued

Family Education Loan Program (FFELP), formerly the guaranteed student loan program (GSLP).

Sallie Mae provides liquidity through direct purchase of insured student loans from eligible lenders and through warehousing advances, which are loans to lenders secured by insured student loans, Government or agency securities, or other acceptable collateral. In capital shortage areas, Sallie Mae is authorized, at the request of Federal officials, to make insured loans directly to students. Sallie Mae is authorized to advance funds to State agencies that will provide loans to students. Sallie Mae is also authorized to provide a secondary market for noninsured loans; to serve as a guarantee agency in support of loan availability at the request of the Secretary of Education; to purchase and underwrite student loan revenue bonds; to provide certain additional services as determined by its board of directors to be supportive of the credit needs of students generally; and to provide financing for academic facilities and equipment.

Sallie Mae is authorized by the Health Professions Educational Assistance Act of 1976 to provide a secondary market for federally insured loans to graduate health professions students.

Operations.—The forecast data with respect to operations are based on certain general economic and specific FFELP loan volume assumptions and should not be relied upon as an official forecast of the corporation's future business.

ANNUAL LOAN ACTIVITY

(In thousands of dollars)

	1994 actual	1995 est.	1996 est.
Guaranteed student loans:			
Stafford (formerly "regular"):			
Purchased	4,705,404	5,487,000	5,818,000
Warehoused	3,747,495	3,500,000	2,369,000
PLUS/SLS: Purchased	1,491,023	1,739,000	1,843,000
Subtotal: Guaranteed student loans	9,943,922	10,726,000	10,030,000
Health professions loans: Purchased	265,337	309,000	328,000
Other	1,049,514	1,132,762	1,198,000
Total	11,258,773	12,167,762	11,556,000

Financing.—Between 1974 and early 1982, Sallie Mae borrowed through the Federal Financing Bank. The Secretary of Education was authorized by the Education Amendments of 1980 to guarantee principal and interest on such obligations issued prior to October 1, 1985. Under an agreement with the Department of the Treasury reached in early 1981, Sallie Mae began borrowing directly in the private capital markets. Its last borrowing through the FFB and its last issuance of federally guaranteed obligations occurred in January 1982. During the first quarter of 1994, Sallie Mae prepaid all of the outstanding FFB debt. Its obligations today have certain characteristics, provided by charter, which give them "agency" status, but they are not federally insured or guaranteed.

Management.—At its annual meeting in May 1994, the shareholders of Sallie Mae elected 14 members to its board of directors to serve until May 1995. The shareholders of Sallie Mae are entitled to elect 14 members to the board. Pursuant to the Education Amendments of 1972, seven public directors are appointed by the President, who also names the chairman from among the 21 members.

Restructuring.—Because of the transition from the guaranteed student loan program to the program of Federal Direct Student Loans, the Administration has been actively studying options for the future of Sallie Mae, including in particular, restructuring the company into a fully private company. In any such restructuring, currently outstanding Sallie Mae debt would retain the characteristics of government sponsored enterprise debt, and customers having agreements with the GSE would be fully protected. Any new debt issued by a private

company successor to Sallie Mae would not possess the characteristics of government sponsored enterprise debt.

Statement of Operations (in thousands of dollars)

Identification code 99-1500-0-3-502	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	2,614,644	2,826,510		
0102 Expense	-2,192,933	-2,399,431		
0109 Net income	421,711	427,079		

¹ The Sallie Mae Board of Directors does not consider it appropriate to forecast corporate revenue in a public document since such forecasts could be used for speculative purposes.

Balance Sheet (in thousands of dollars)

Identification code 99-1500-0-3-502	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
Investments in US securities:				
1102 Treasury securities, par ..	575,547	1,192,108	1,156,000	1,214,000
1104 Agency securities, par	193,092	47,625	48,000	48,000
1106 Receivables, net	516,995	591,568	621,000	652,000
Non-Federal assets:				
1201 Investments in non-Federal securities, net	9,284,150	11,719,755	11,729,238	11,754,238
1206 Receivables, net	305,342	240,464	252,000	265,000
1207 Advances and prepayments ..	13,538	22,080	23,000	24,000
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	34,687,192	38,171,795	40,523,385	40,698,847
1603 Allowance for estimated uncollectible loans and interest (-)	-101,709	-100,436	-106,623	-107,085
1699 Value of assets related to direct loans	34,585,483	38,071,359	40,416,762	40,591,762
Other Federal assets:				
1801 Cash and other monetary assets	47,535	101,497	107,000	112,000
1803 Property, plant and equipment, net	118,128	148,706	156,000	164,000
1901 Other assets	-817	37,532	39,000	41,000
1999 Total assets	45,638,993	52,172,694	54,548,000	54,866,000
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	14,299			
2104 Resources payable to Treasury	4,790,000			
Non-Federal liabilities:				
2201 Accounts payable	-833	-18		
2202 Interest payable	363,548	401,172	421,000	442,000
2203 Debt	38,795,350	49,691,582	51,944,000	52,133,000
2206 Pension and other actuarial liabilities	9,457	8,880	9,000	9,000
2207 Other	412,121	560,207	588,000	617,000
2999 Total liabilities	44,383,942	50,661,823	52,962,000	53,201,000
NET POSITION:				
3200 Invested capital	1,255,051	1,510,871	1,586,000	1,665,000
3999 Total net position	1,255,051	1,510,871	1,586,000	1,665,000
4999 Total liabilities and net position	45,638,993	52,172,694	54,548,000	54,866,000

Object Classification (in thousands of dollars)

Identification code 99-1500-0-3-502	1994 actual	1995 est.	1996 est.
11.1 Personnel compensation: Full-time permanent	50,776	53,000	56,000
12.1 Civilian personnel benefits	15,733	17,000	18,000
21.0 Travel and transportation of persons	4,959	5,000	5,000
23.3 Communications, utilities, and miscellaneous charges ..	4,044	4,000	4,000
25.1 Advisory and assistance services	13,437	14,000	15,000
25.2 Other services	234,051	246,000	258,000
31.0 Equipment	2,295	2,900	2,000
33.0 Loans	11,258,773	12,167,762	11,556,000
43.0 Interest, dividends, and taxes	5,190,127	2,904,000	3,081,000
99.9 Total obligations	16,774,195	15,412,762	14,995,000

COLLEGE CONSTRUCTION LOAN INSURANCE ASSOCIATION

The College Construction Loan Insurance Association (Connie Lee) was authorized by Public Law 99-498 on October 17, 1986. The Corporation was created to insure and reinsure bonds and loans of educational institutions which borrow funds to finance the acquisition, construction, or renovation of their facilities. The Association was incorporated in February 1987, under the District of Columbia Business Corporation Act.

Connie Lee's authorizing statute states that "no obligation which is insured, guaranteed, or otherwise backed by the corporation, shall be deemed to be an obligation which is guaranteed by the full faith and credit of the United States."

Operations.—Connie Lee is structured to operate as a private corporation, subject to the same state laws and regulations as any other insurance company. Accordingly, Connie Lee secures insurance licenses in each of the various states in which it expects to conduct its insurance activities.

The Board of Directors authorized management to begin activities as a reinsurer of educational facilities bonds in 1988. Connie Lee reinsured its first bonds in December 1988. In fiscal year 1994, Connie Lee insured \$1.6 billion of debt service on bonds benefitting colleges, universities and teaching hospitals.

Connie Lee also provided reinsurance on bonds representing \$45 million of debt service.

The forecast data contained in this material are based on certain general economic assumptions and should not be construed as an official forecast of the Corporation's position.

INSURANCE AND REINSURANCE ACTIVITY

(In thousands of dollars)

	1994 actual
Debt service insured:	1,607,575
Direct insurance	44,818
Reinsurance	
Total	1,652,393

Financing.—In order to provide capitalization, the Secretary of Education, the Student Loan Marketing Association (Sallie Mae), and other investors are authorized to purchase stock in the corporation. Sallie Mae made an initial investment of \$2 million in Connie Lee stock in fiscal year 1987. The Secretary of Education purchased \$19.1 million in Connie Lee stock with funds appropriated for this purpose in fiscal year 1988. Subsequently, the corporation sold an additional \$50.9 million of equity securities to Sallie Mae, increasing total capital of the corporation to \$72.0 million. At the end of 1991, Connie Lee placed equity securities with private investors, providing sufficient incremental capital to obtain a triple-A credit rating necessary to engage in the financial guaranty business as a direct writer of insurance.

Statement of Operations (in thousands of dollars)

Identification code 99-9931-0-3-502	1993 actual	1994 actual	1995 est.	1996 est.
0101 Revenue	17,856	19,293	21,872	25,186
0102 Expense	-11,028	-11,412	-11,731	-12,782
0109 Net income	6,828	7,881	10,141	12,404

Management.—Connie Lee is governed by an eleven-member board of directors comprised of two directors appointed by the Secretary of the Treasury; two directors appointed by the Secretary of Education; three directors appointed by the Student Loan Marketing Association; and four directors elected by the corporation's shareholders, one of whom must be an administrator of a college or university.

The Administration is considering submission of legislation to the Congress which would fully privatize Connie Lee by divesting the Secretary of Education's stock ownership in the Corporation and the corresponding repeal of the Corporation's enabling legislation.

Balance Sheet (in thousands of dollars)

Identification code 99-9931-0-3-502	1993 actual	1994 actual	1995 est.	1996 est.
ASSETS:				
Federal assets:				
Investments in US securities:				
1102 Treasury securities, par ..	4,000	21,400	25,000	25,000
1104 Agency securities, par	32,114	24,909	30,000	30,000
Non-Federal assets:				
1201 Investments in non-Federal securities, net	123,926	134,491	142,108	154,877
1206 Receivables, net	8,930	8,869	7,508	7,608
1207 Advances and prepayments	22,422	24,518	30,477	34,966
Other Federal assets:				
1801 Cash and other monetary assets	10,322	3,340	6,000	7,000
1803 Property, plant and equipment, net	754	628	850	750
1999 Total assets	202,468	218,155	241,943	260,201
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	5,915	3,953	7,000	9,000
2201 Non-Federal liabilities: Accounts payable	56,210	69,737	80,335	84,189
2999 Total liabilities	62,125	73,690	87,335	93,189
NET POSITION:				
3200 Invested capital	140,343	144,467	154,608	167,012
3999 Total net position	140,343	144,467	154,608	167,012
4999 Total liabilities and net position	202,468	218,157	241,943	260,201

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL NATIONAL MORTGAGE ASSOCIATION
PORTFOLIO PROGRAMS

Program and Financing (in thousands of dollars)

Identification code 99-2500-0-3-371	1994 actual	1995 est.	1996 est.
Program by activities:			
Operating expenses:			
00.01 Interest on borrowings from the public	13,734,700	17,313,800	20,407,400
00.02 Other costs	2,526,900	2,711,700	3,068,800
00.91 Total operating expenses	16,261,600	20,025,500	23,476,200
Capital investment:			
01.01 Mortgage purchases and loans	80,320,000	58,789,700	62,026,900
01.02 Less purchase discounts	-681,200		
01.91 Total capital investment	79,638,800	58,789,700	62,026,900
10.00 Total obligations	95,900,400	78,815,200	85,503,100
Financing:			
21.47 Unobligated balance available, start of year:			
Authority to borrow	-280,330,000	-339,930,000	-397,142,000
24.47 Unobligated balance available, end of year:			
Authority to borrow	339,930,000	397,142,000	471,976,000
39.00 Budget authority (gross)	155,500,400	136,027,200	160,337,100
Budget authority:			
67.10 Authority to borrow	103,872,938	100,384,180	106,068,100
67.15 Net increase or decrease in unlimited borrowing authorities	-12,495	-2,980	
67.90 Authority to borrow (total)	103,860,443	100,381,200	106,068,100
68.00 Spending authority from offsetting collections	51,639,957	35,646,000	54,269,000
Relation of obligations to outlays:			
71.00 Total obligations	95,900,400	78,815,200	85,503,100
Obligated balance, start of year:			
72.47 Corporate borrowing authority	-12,923,240	-28,030,680	-36,754,100
72.90 Fund balance	27,523,200	35,687,000	48,532,200
Obligated balance, end of year:			
74.47 Corporate borrowing authority	28,030,680	36,754,100	40,297,900

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Divider Title: _____

NATIONAL EDUCATION GOALS PANEL

DESCRIPTION:

Established in 1994 by the Goals 2000: Educate America Act, the National Education Goals Panel is an independent agency responsible for overseeing the development and implementation of a reporting system for the National Education Goals: building a national consensus for the reforms necessary to achieve education improvement; reporting on promising and effective actions; and identifying actions that Federal, State, and local governments should take to enhance progress toward achieving the goals by the year 2000.

Panel members include the Governors of Indiana, Mississippi, North Carolina, Minnesota, Illinois, Colorado, Michigan and New Jersey; four members of Congress; four state legislators; the U.S. Secretary of Education, Richard W. Riley; and the President's Domestic Policy Advisor, Carol H. Rasco.

FY 1996 BUDGET PROPOSAL:

The FY 1996 Budget calls for \$2,785,000 for necessary expenses and 13 FTE. The proposed FY 1995 budget for the Panel was listed as a legislative initiative under the Department of Education.

AGENCY PROPOSAL:

The Panel proposes that it be left in tact as a new initiative and as an example of the new governance paradigm, a flat and flexible, intergovernmental and bipartisan entity with the resources to issue a national report, and access to a variety of data and individuals not accessible to individual states.

DECISION OPTIONS:

- A. No Change; follow the FY 1996 budget recommendation.
- B. Reduce Federal funding and invite the states to provide their fair share of revenues to maintain current staffing and funding levels.
- C. Abolish the Panel and devolve its responsibilities to a collective entity funded and operated by the states.

ADVISORY GROUP RECOMMENDATION: A

RATIONALE:

The Panel is an important part of the Administration's work on Education reform. It provides the independent review of the National Education Goals.

STEERING COMMITTEE COMMENT:

**NATIONAL EDUCATION GOALS PANEL
OPTIONS PAPER**

NATIONAL PERFORMANCE REVIEW — PHASE II

NATIONAL PERFORMANCE REVIEW OPTIONS PAPER FOR PHASE II

OVERVIEW

The bipartisan National Education Goals Panel was established on October 1, 1990, following the historic Education Summit held in Charlottesville, Virginia, in September of 1989. The President and the Nation's Governors agreed that establishing National Education Goals would capture the attention and resolve of Americans to restructure our schools and radically increase our expectations for student performance. It was also recognized that adopting national Goals would ultimately prove an empty gesture without a shared commitment to achieving them and to holding ourselves accountable for their success. To fulfill this commitment, the July 31, 1990, Joint Statement by the President and the Governors established the National Education Goals Panel to identify measures of performance and report on progress toward the Goals. The Panel was initially established as an advisory Panel under the provisions of the Federal Advisory Committee Act, by charter signed by the Assistant to the President for Economic and Domestic Policy. In 1994, the National Education Goals Panel was established in law by the *Goals 2000: Educate America Act*, Public Law 103-227, as an independent agency in the Executive branch of the federal government.

Key Functions

Since its inception, the National Education Goals Panel has been charged with overseeing the development and implementation of a national education progress reporting system and with the responsibility of measuring and reporting our annual progress toward achieving the Goals by the year 2000. The Panel's primary responsibilities are: (1) reporting on national and state progress toward achieving the National Education Goals; (2) reporting on promising and effective actions taken at the national, state, and local levels to achieve the National Education Goals, including the identifying of actions that Federal, state and local governments should take to enhance progress toward achieving the Goals; (3) promoting high academic standards by reviewing and approving voluntary content and performance standards, and reporting on opportunity-to-learn standards; and (4) building a national bipartisan consensus for the reforms necessary to achieve the National Education Goals. To carry out its responsibilities, the Panel is a flat organization using flexible management practices with a staff of 13 full-time equivalent (FTE) authorized and an estimated operating budget of \$2,785,000 requested for FY96.

The Panel relies on the advice of various advisory groups—resource groups, task forces and technical planning groups—for identifying the indicators required to develop and annual update a national education progress reporting system. Members of resource groups and task forces consist of experts in a variety of fields who are chosen from around the country to ensure broad-based input in defining appropriate indicators of progress toward achieving these new Goals and provide other valuable direction for Panel initiatives. In addition, the Panel often conducts regional forums or public hearings to solicit opinion from target audiences of teachers and parents on how best to measure progress. This year the Goals Panel has also convened a data and reporting task force to identify and recommend strategies for filling the data gaps identified in the 1994 *Goals Report*.

Private sector competition cannot duplicate or match the benefit derived from the diversity of opinions and outlooks represented on the Panel. The National Education Goals Panel is a unique bipartisan and intergovernmental body of federal and state officials representing both the executive and legislative branches of government. Its members include eight Governors, four members of Congress, four state Legislators, the U.S. Secretary of Education and the President's Domestic Policy Advisor. The Panel meets quarterly to take action on resolutions, adopt strategies and approve products and actions. Panel staff and staff of Panel members meet at least 15 times to develop and refine reports and other products.

MISSION AND GOALS

The mission of the National Education Goals Panel is to catalyze fundamental change in schools, communities, states and the Nation in order to attain the National Education Goals.

The Goals Panel achieves this mission by reporting on Goal attainment, encouraging the development of voluntary education content, performance, and opportunity-to-learn standards, and assessment systems, as well as reporting on promising and effective policies and practices.

The Goals Panel strives to build a nationwide, bipartisan consensus on the necessity of achieving the National Education Goals and on effective ways to attain them.

Following is a list of the Panel's key functions—or responsibilities—and their intended outcomes:

Key Function 1: Reporting

- Outcome 1: Publish an annual report in October of every year.
- Outcome 2: Publish specialized short reports.
- Outcome 3: Provide handbooks and limited technical assistance to states and communities as needed.
- Outcome 4: Adopt additional policy positions urging gaps in data to be closed as needed. A task force was formed in 1994 and a preliminary report will be published in 1995.
- Outcome 5: Reiterate its support for useful data improvement as needed.

Key Function 2: Reporting on Promising or Effective Actions

- Outcome 1: Identify large-scale policies, programs, trends and governmental changes that could have nationwide impact on Goal attainment. Report to the Nation annually.
- Outcome 2: Organize forums — including regional and state hearings — with Panel members, a variety of education reform professionals, and thinkers from other disciplines to explore more dramatic options for reaching the Goals periodically.
- Outcome 3: Prepare recommendations from these discussions and communicate results through a variety of strategies periodically.

Key Function 3: **Content, Performance, State Assessment Systems, and Opportunity to Learn Standards**

- Outcome 1: Consider the legislative charge within the context of voluntary content and performance standards—an ongoing process.
- Outcome 2: Work in partnership with NESIC to clarify the basis on which the Panel will review and approve or disapprove criteria and NESIC-certified standards and assessment systems after NESIC membership is appointed.

Key Function 4: **Building a Nationwide, Bipartisan Consensus on Necessary Reforms**

- Outcome 1: Build a nationwide, bipartisan consensus on necessary reforms and strategies to achieve the Goals—an ongoing process.
- Outcome 2: Promote the urgency for action by focusing efforts on policymakers, educators, parents and others at the state and local level concerned with education — an ongoing process.

The Panel plans to produce 9 Goal-specific publications, distribute 100,000 copies of the Goals Reports and 17,000 data volumes, have an exhibit at over 7 national conferences and present at over 20 conventions, address 64 meetings with different organizations, and participate with National Telelearning Network (NTN) to produce 10 teleconferences with educators regarding achieving the Goals, the Goals Process and the *Community Action Toolkit* (see p. 4). In addition, the Panel is an active partner with several National education, government, business and civic organizations to mobilize their state and local membership to help achieve the Goals.

ASSESSMENT OF KEY FUNCTIONS

- (1) Reporting on national and state progress toward achieving the National Education Goals.

Based on "customer" input, we believe that the annual *Goals Report* is critical to our mission. The report has been requested increasingly by individuals representing a variety of segments of the public directly and indirectly involved with the comprehensive reform of American education. In response to our customers, the format of the 1994 Report was significantly redesigned to be more responsive to our audiences by reducing the number of graphs and adding more interpretation and analysis of the data. The 1995 Annual report will incorporate suggestions obtained from surveys and focus group interviews of policymakers, parents, educators, and community activists, to be conducted during March of 1995. Questions will center on three primary areas—awareness and exposure to the 1994 *Goals Report*; evaluation of the *Goals Report* with respect to presentation and clarity of overall content, statistical information and graphics; and suggestions for improvement.

The Goals Reports differ from those published by federal statistical agencies such as the National Center for Education Statistics in that they are organized around the eight Goals, and offer policy interpretations of the data which go beyond the purview of purely statistical

agencies. State and local governments cannot issue a national report because, individually, they do not have the resources to do so. At present, the Goals Panel is working with the Coalition for Goals 2000, the Council of Chief State School Officers, the Education Commission of the states, the National Conference of State Legislatures, and the National Governors' Association, to stimulate state and local reporting on progress toward achieving state and local education goals.

We strongly encourage state and local communities, however, to energize the process of education reform and report their progress to their own constituents. We created the *Community Action Toolkit* to assist communities in this effort. The Panel developed the *Toolkit* with the support and cooperation of citizens, educators and organizational leaders nationwide. Comment was solicited and revisions incorporated from individuals and interest groups ranging the political spectrum. The Goals Panel relied upon evaluations, feedback and discussion groups in over ten cities—places such as Chattanooga, Chicago, Las Cruces, Pittsburgh, Omaha and Williamsburg—with different demographics, priorities and concerns. Over and over, reviewers stressed that the *Toolkit* met their needs and achieved the Goals Panel's top objectives of stimulating informed discussion and motivating citizens to achieve educational priorities.

Because we use data collected by private, state, and other federal agencies, we are making optimal use of available resources. While we understand and accept the importance of adequate competition for federal contract dollars, federal photocopying regulations impose significant time delays in accomplishing the agency's mission. Frequently, the documents we create are extremely time-sensitive. The time and human resources consumed in document preparation for submission to GPO often are not well-spent. The contracting process required of GPO does not permit the rapid response that could be provided if agencies were permitted to use market mechanisms such as commercial photocopying establishments.

- (2) Reporting on promising and effective actions taken at the national, state, and local levels to achieve the National Education Goals.

This responsibility—reporting on promising or effective actions being taken at the national, state, and local levels, and in the public and private sectors, to achieve the National Education Goals—is critical to the agency's mission. Meeting the challenges of the next century will require the involvement of all Americans: public officials, educators, parents, business and community leaders, students, and other members of the public. Becoming active participants in improving our ability to gauge our education performance will enable us to make better decisions that will benefit our schools.

The Goals Process is a promising action that can help state and local communities determine how well they are doing, where they would like to be, and what they will have to do to move their results in the desired direction. It involves three essential steps:

- Adopting and adapting the National Education Goals to reflect high expectations for all learners and cover a lifetime of learning, from the preschool years through adulthood;

- Assessing current strengths and weaknesses, setting their own baseline against their Goals; and
- Building a strong accountability system to measure and report progress regularly towards all of the Goals.

Once these steps have been taken and the community has made a long-term commitment to evaluate its progress, it can use the information it is collecting along the way to fine-tune its own approach to education improvement. The heart of the Goals Process is *informed* decision-making. Citizens need accurate, reliable information to determine the strengths and weaknesses of their education systems and to make decisions that will allow those systems to perform at more ambitious levels.

The Panel is in the best position to report on promising and effective practices because it has access to a variety of data and information that cannot be matched by the states. In 1994, the Panel formed a task force to recommend the best approaches to fulfilling this responsibility. It will issue an interim report in the Summer of 1995, at which time we will be able to consider other options for improving performance.

- (3) Promoting high academic standards by reviewing and approving voluntary content and performance standards, and reporting on opportunity-to-learn standards.

The Goals Panel is currently developing the role of voluntary academic standards in education improvement. This effort continues the work of the Goals Panel and the National Council on Education Standards and Testing, created in 1991. The Council's 1992 report *Raising Standards for American Education* found that standards were desirable and feasible and recommended establishing a new body to encourage and, with the Goals Panel, approve nationwide education standards. The Panel adopted an official statement strongly supporting the development of clear, rigorous content standards (refer to Attachment C, Statement of Voluntary National Education Content Standards, adopted November 15, 1993). The Goals Panel will meet in March of 1995 to discuss options for supporting state and community efforts in the development of academic standards.

The Panel's bipartisan and intergovernmental composition uniquely equips it to give full consideration to the different levels of government and recommend actions that take into account the strengths of each jurisdiction to improve American education. As in its other responsibilities, the Goals Panel strives to involve state and local government as well as the public in all phases of the process. In 1993 and 1994, for example, the Panel conducted regional hearings to gather comment and promote public dialogue regarding education standards.

- (4) Building a national bipartisan consensus for education improvement.

Building a national bipartisan consensus is critical to our mission. In a 1992 survey of policymakers, parents and teachers, participants stated that the United States needed a new national agenda in education. They felt that the National Education Goals were a strong first step towards building support and consensus for a national education effort. In another survey conducted in October of 1993 it was stated that "The Panel is uniquely composed to

cut across political layers and boundaries...we need to build on this." The Panel is promoting reporting at the state and local levels through our partnership with national organizations (listed on page four) and through our *Community Action Toolkit*.

Achieving the National Education Goals requires a sustained partnership of government policy at all levels and individual and community commitment. By virtue of its bipartisan, intergovernmental composition, the Goals Panel is in a unique position to launch and sustain a comprehensive public information and public engagement strategy to: a) stimulate bottom-up, community-based reform that addresses local needs within the context of national priorities; b) underscore how and why high standards can improve the quality and nature of learning; and c) strengthen relations among the education, business, labor, civic associations and government communities whose involvement is vital to education improvement.

The Goals Panel is singularly well-designed to accomplish the mission of building a national bipartisan consensus for education improvement—a task that requires voluntary government cooperation rather than competition to accomplish a common purpose.

OPTIONS

The National Education Goals Panel embodies the objectives of the National Performance Review. It is, therefore, neither a candidate for termination nor restructuring. The Goals Panel is a high performance small federal agency with a staff of 13 authorized FTEs. By carrying out its four key functions or responsibilities it helps states and communities develop a world-class education for their youth—an aspiration that Americans have consistently rated as a top national priority over the last several years. It delivers quality services, such as the *Annual Report* and the *Community Action Toolkit*, that our customer surveys and focus groups tell us are well-received by policymakers, educators, and other members of the American public. Not only do we hold ourselves accountable to the public through our outcomes-driven planning, we also support accountability at the state and local level by reporting on progress the states and the nation are making towards achieving the National Education Goals.

One way we know we are successful is because we are enabling change for state and local jurisdictions. Federal, state, and local interests are represented on the Panel in a voluntary partnership to achieve the National Education Goals. The federal government collects information and promotes its exchange as a tool to affect outcomes that are ultimately at the state, local, or even individual level. By forming partnerships with national organizations with local memberships, fostering the Goals Process and reporting on progress towards achieving the National Education Goals, the Panel's purpose is to "steer," not "row." The partner organizations fall into four main categories: education, government, business and civic. The Goals Process does not use regulations; it is an accountability process that uses market, not administrative mechanisms, to achieve its mission. It puts customers first by listening to the information needs of public officials, educators, parents, business and community leaders, students, and other members of the public to redesign its products. The Goals Panel carries out its mission with a lean staff using a flat organizational structure and flexible management practices to carry out its four key functions. Investments in staff are highly leveraged with the input of hundreds of expert advisors drawn from all areas of the country.

The Goals Panel is actively integrating the latest information technology into its office administration. It has recently installed a local area network to facilitate communication and reduce duplication of information. It has contracted with the Coalition for Goals 2000, a non-profit online service, to create an online presence for the National Education Goals Panel. State and local communities will be able to access and search for specific information regarding the Goals. Panel members, Working Group members, resource groups, task forces and staff members will be able to communicate with each other in a time-sensitive manner. The Panel has worked with and will continue to work with the U.S. Department of Education and ERIC Clearinghouse to offer the *Goals Report* and other information to the public free of charge via the Internet. The Panel routinely publishes instructions on how to access this electronic information. In 1995 the Panel will investigate various options of distributing the *Annual Report*, the *Community Action Toolkit* and other documents, including CD-ROM and the Internet.

			National Education Goals Panel							
			Budget Outlays for 1996-2000							
		FY1996	Estimated	Estimated	Estimated	Estimated	Estimated	5-Year Cumulative		
		program	resulting	resulting	resulting	resulting	resulting	(FY 1996-2000)		
		levels in	levels for	levels for	levels for	levels for	levels for			
		Budget	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000			
Discretionary Budget		2785	2785	2802	2861	2884	2972		17089	
Authority										
Discretionary Budget										
Outlays		2662	2662	2765	2833	2872	2930		16724	
Mandatory Outlays										
Government Receipts		N/A	N/A				N/A		N/A	
FTE Changes		0	0				0		0	

THE NATIONAL EDUCATION GOALS

The eight National Education Goals state, by the year 2000:

1. All children in America will start school ready to learn;
2. The high school graduation rate will increase to at least 90 percent;
3. All students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter;
4. The Nation's teaching force will have access to programs for the continued improvement of their professional skills;
5. United States students will be first in the world in mathematics and science achievement;
6. Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy;
7. Every school in the United States will be free of drugs, violence, and unauthorized presence of firearms and alcohol and will offer a disciplined environment conducive to learning; and
8. Every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional, and academic growth of children.

ACTIVE RESOURCE GROUPS

Goal 1: Early Childhood Assessments

Identify and recommend improved methods of assessing the readiness of children for school.

Goal 1: Ready Schools

Identify and recommend policies and practices that help elementary schools serve the diverse children starting school.

Goal 4: Teacher Education and Professional Development

Identify and recommend the appropriate indicators for measuring national and state progress to achieve continued improvement of professional educator skills needed to instruct and prepare all American students for the next century.

Goal 8: Parental Participation

Identify and recommend appropriate indicators for measuring national and state progress to increase parental participation in promoting the academic growth of children.

ACTIVE TASK FORCES

Goal 1 and 3: Elementary Level Academic Standards

Identify and recommend academic standards at the elementary level that are both challenging and developmentally appropriate, and their implications for elementary schools and the standards review process.

Data and Reporting

Identify and recommend strategies for filling the data gaps identified in the 1994 Goals Report and making data more useful to policymakers.

Promising and Effective Practices, including the annual identification of actions that federal, state and local governments should take to achieve the goals

Set criteria, identify and report on promising or effective actions taken at the national, state, and local levels, and in the public and private sectors, to achieve the National Education Goals.

Set criteria, identify and report on actions that should be taken by federal, state, and local governments to enhance progress toward achieving the National Education Goals and to provide students with a fair opportunity-to-learn.

GOAL 1 ASSESSMENT GROUP

Sharon Lynn Kagan, The Bush Center in Child Development and Social Policy
Lorrie Shepard, University of Colorado
Sue Bredekamp, National Association for the Education of Young Children
Edward Chittenden, Education Testing Services
Harriet Eagertson, Nebraska Department of Education
Eugene Garcia, US Department of Education
M. Elizabeth Graue, University of Wisconsin
Kenji Hakuta, Stanford University
Carollee Howes, UCLA Department of Education
Luis Laosa, Education Testing Services
Annemarie Palincsar, University of Michigan
Tej Pandey, CA Dept. of Education
Catherine Snow, Harvard University
Maurice Sykes, DC Board of Education
Valora Washington, Kellogg Foundation
Nicholas Zill, WESTAT, Inc

GOAL 3/4 TECHNICAL PLANNING GROUP ON "WORLD-CLASS" STANDARDS

Shirley Malcom, American Association for the Advancement of Science
John Barth, Office of Rep. Goodling, Committee on Education and Labor
Iris Carl, National Council of Teachers of Mathematics
David Cohen, Purdue University
Thomas Crawford, U.S. Olympic Committee
Mihaly Csikszentmihalyi, University of Chicago
Phil Daro, Mathematics Project
Jennifer Davis, U.S. Department of Education
Tim Erickson, Office of the Governor - Nebraska
Chester Finn, Jr., Edison Project
Anne Heald, University of Maryland
David Hornbeck, Philadelphia School District
David Kearns, Xerox Corporation
Tom Litjen, Office of the Governor - Nebraska
Richard Mills, Vermont Department of Education
Harold Noah, Teachers College, Columbia University
Claire Pelton, San Jose Unified School District
Bill Porter, Office of the Governor - Colorado
James Renier, Renier and Associates
Sidney Smith, Coalition of Essential Schools/Atlas
James Wilsford, Jim Wilsford Associates, Inc.

GOAL 4 TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT

David Imig, American Association of Colleges for Teacher Education
Linda Barnett, Office of the Governor - Mississippi
Marsha Berger, American Federation of Teachers
Sharon Bobbitt, National Center for Education Statistics
Patricia Brown, National Governors' Association
John Calhoun, Office of the Governor - Colorado
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Appendix C: Acknowledgements

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Report of the Task Force on Defining a Disciplined Environment Conducive to Learning

Promises to Keep: Creating High Standards for American Students

1994 National Education Goals Report: Building a Nation of Learners

Data Volume for the 1994 National Education Goals Report — Volume One: National Data

Data Volume for the 1994 National Education Goals Report — Volume Two: State Data

Community Action Toolkit: Informational Flyer/Order Form

Graphic Icons (Depicting Each of the Eight National Education Goals)

Report of the Technical Planning Subgroup on Core Data Elements/Resolution

Achieving Educational Excellence by Increasing Access to Knowledge: Discussion Document

1993 Summary Guide of the National Education Goals Report: Building the Best

1993 National Education Goals Report — Volume One: The National Report

1993 National Education Goals Report — Volume Two: State Reports

Resolutions of the Goals Panel: Goal 1, Goal 2; Goal 3 (NAEP); Goal 5

Gauging High Performance — How to Use NAEP to Check Progress Goals

Statewide Student Record Systems: Current Status and Future Trends

Reactions to Technical Planning Subgroup Report on School Readiness

Reactions to the Goal 1 Technical Planning Subgroup Report: Executive Summary

Assessing Citizenship: Goal 3 Technical Planning Subgroup Report on Citizenship

Assessing National Goals Relating to Postsecondary Education: Goal 5 Task Force Report

Report of the Goal 5 Technical Planning Subgroup on International Workforce Skills

1992 National Education Goals Report: Executive Summary

1992 National Education Goals Report: Building a Nation of Learners

NATIONAL EDUCATION GOALS PANEL
Publications List — 1996

Parent Participation, Final Report

Teacher/Professional Development, Final Report

Goal One; Ready School, Final Report

Goal One & Three, Interim Report

Data Development and Applications, Annual Report

Promising and Effective Practices, Annual Report

Identification of Federal, State and Local Actions, Annual Report

Establishing College Student Indicators, Interim Report

Opportunity-to-Learn, Interim Report

Annual Goals Report

NATIONAL EDUCATION GOALS PANEL
Statement on Voluntary National Education Content Standards
adopted November 15, 1993

In 1990, the President and Governors agreed on six¹ National Education Goals and committed themselves to a decade of sustained action to meet the Goals. With the Congress, they created the National Education Goals Panel to measure and support the nation's progress toward meeting the Goals.

To meet Goals 3 and 4 (the Student Achievement and Mathematics and Science Goals), a bipartisan consensus has emerged that as Americans we must agree on our priorities — the results we expect from students in core academic areas. These "content" standards should be rigorous and challenging, and they should reflect high expectations for what students should know and be able to do.

The National Education Goals Panel strongly supports the development of clear, rigorous content standards, and it believes that voluntary national standards are essential to this effort. The Goals Panel believes the following principles must serve as the foundation for these standards:

Voluntary

The Panel will participate only in the establishment of voluntary national content standards that may serve as models and resources for State and local reform efforts.

The Panel would oppose any federal effort to require States and local schools to use such national standards.

Academic

The Panel believes that voluntary national content standards should address only the core academic areas as stated in the National Education Goals.

Voluntary national content standards should not address non-academic areas such as values, beliefs, student attitudes and behaviors.

World-Class

The Panel will endorse only those national content standards which, though uniquely American, are at least as challenging and rigorous as the academic expectations for students in other countries of the world.

Voluntary national content standards must not be compromised or watered down for any reason. The Panel believes that our focus should be on helping each student reach higher levels of academic achievement.

¹ This statement of principles was approved and issued prior to enactment of the Goals 2000: Educate America Act. As a result, the statement references the six original goals instead of the eight created by the law.

Bottom-Up Development

National and State content standards must be developed through a consensus building process that involves educators, parents and community leaders from schools and neighborhoods across the country.

For these voluntary national education standards to be useful, they must be relevant to each community using them. The Panel has no intention of developing content standards on its own and would oppose any standards that were not developed through a broad-based, participatory process.

Useful and Adaptable

In order to improve instruction and learning in the classroom, the national standards must be clearly stated and free of jargon. In addition, they must allow local educators the flexibility to design their own curriculum plans within the broad outlines of the standards. The number of standards should be limited, so they are feasible for teachers, parents and students to use, and represent the most important knowledge, skills and understandings we expect students to learn.

Voluntary national content standards will not be a "national curriculum" but, rather, provide a broad outline of the kind of knowledge and skills necessary "for responsible citizenship, further learning, and productive employment in our modern economy." (Goal 3)

The establishment of national voluntary standards is an effort that has received strong support from the business community, Republican and Democrat Presidents, local educators and citizens from across the country.

We believe that, if treated with care and wisdom, these expectations of what students should know and be able to do, will empower parents in every community in the nation to demand more of themselves, their children, their schools, and their government.

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The White House (R)

Honorable Barbara Roberts
Governor of Oregon (D)

Honorable Roy Romer
Governor of Colorado (D)

NATIONAL EDUCATION GOALS PANEL
1991-1992 LIST OF MEMBERS

Honorable Carroll A. Campbell, Jr., Chair
1991-1992
Governor of South Carolina (R)

Honorable Lamar Alexander
Secretary
U.S. Department of Education (R)

Honorable John Ashcroft
Governor of Missouri (R)

Honorable Evan Bayh
Governor of Indiana (D)

Honorable Terry E. Branstad
Governor of Iowa (R)

Honorable Richard G. Darman
Director
Office of Management and Budget
The White House (R)

Honorable Bob Dole (*ex officio*)
State of Kansas
U.S. Senator (R)

Honorable Booth Gardner
Governor of Washington (D)

Honorable Richard Gephardt (*ex officio*)
State of Missouri
U.S. Representative (D)

Honorable Robert Michel (*ex officio*)
State of Illinois
U.S. Representative (R)

Honorable George J. Mitchell (*ex officio*)
State of Maine
U.S. Senator (D)

Roger B. Porter
Assistant to the President
for Economic and Domestic Policy
The White House (R)

Honorable Roy Romer
Governor of Colorado (D)

Honorable John H. Sununu
Chief of Staff
The White House (R)

NATIONAL EDUCATION GOALS PANEL

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Governor of South Carolina (R)

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Honorable Robert Michel (*ex officio*)
State of Illinois
U.S. Representative (R)

Honorable George J. Mitchell (*ex officio*)
State of Maine
U.S. Senator (D)

Roger B. Porter
Assistant to the President
for Economic and Domestic Policy
The White House (R)

Honorable John H. Sununu
Chief of Staff
The White House (R)

NATIONAL EDUCATION GOALS PANEL

Federal Funds

General and special funds:

NATIONAL EDUCATION GOALS PANEL

For expenses necessary for the National Education Goals Panel, as authorized by title II, part A of the Goals 2000: Educate America Act, \$2,785,000.

Program and Financing (in thousands of dollars)

Identification code 95-2650-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	679	2,321	2,785
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance		-2,321	
24.40 Unobligated balance available, end of year: Treasury balance	2,321		
39.00 Budget authority	3,000		2,785
Budget authority:			
40.00 Appropriation			2,785
42.00 Transferred from other accounts	3,000		
43.00 Appropriation (total)	3,000		2,785
Relation of obligations to outlays:			
71.00 Total obligations	679	2,321	2,785
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance		479	1,567
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-479	-1,567	-1,655
90.00 Outlays	200	1,233	2,697

Object Classification (in thousands of dollars)

Identification code 95-2650-0-1-503	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	59	374	392
11.3 Other than full-time permanent	76	477	498
11.9 Total personnel compensation	135	851	890
12.1 Civilian personnel benefits	32	205	221
21.0 Travel and transportation of persons	32	130	276
22.0 Transportation of things	5	16	21
23.1 Rental payments to GSA	29	117	122
23.3 Communications, utilities, and miscellaneous charges	2	24	25
24.0 Printing and reproduction	328	355	410
25.1 Advisory and assistance services			330
25.2 Other services	78	181	
25.3 Purchases of goods and services from Government accounts	33	102	105
25.5 Research and development contracts		300	325
26.0 Supplies and materials	5	20	25
31.0 Equipment		20	35
99.9 Total obligations	679	2,321	2,785

Personnel Summary

Identification code 95-2650-0-1-503	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	2	13	13

The National Education Goals Panel is an independent agency responsible for overseeing the development and implementation of a reporting system for the National Education Goals; building a national consensus for the reforms necessary to achieve education improvement; reporting on promising and effective actions; and identifying actions that Federal, State, and local governments should take to enhance progress toward achieving the goals.

DEPARTMENT OF EDUCATION

OF ELEMENTARY AND SECONDARY EDUCATION

Federal Funds

Special funds:

Education Reform

(INCLUDING TRANSFER OF FUNDS)

Carrying out education reform activities authorized in law by the Carl D. Perkins Vocational and Technology Education Act, \$155,000,000, of which \$5,000,000, of the Perkins Act, shall be used by the Secretary, including peer review of applications, related to school-to-work transition, and \$45,000,000 shall be used under section 420A of the Perkins Act for State grants and subgrants to initiate activities in schools and localities related to school-to-work transition: *Provided*, that \$5,000,000 of the funds provided shall be for carrying out activities authorized by the Goals 2000: Educate America Act, or any successor legislation, if enacted into law by April 1, 1994, of which \$1,000,000 shall be used for "State Planning for Improving Student Achievement Through Integration of Technology into the Curriculum" and that if such legislation is not enacted by that date, the \$1,000,000 shall be transferred to "Student Financial Assistance" account to alleviate the funding shortfall in the Pell Grant program authorized by part 1 of title IV of the Higher Education Act, as amended: *Provided further*, That funds appropriated in this account shall become available on July 1, 1994 and remain available through September 30, 1995.] (Department of Education, Education Reform Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 91-0500-0-1-501	1993 actual	1994 est.	1995 est.
Program by activities:			
Goals 2000: Educate America Act		100,203	4,797
School-to-work transition		50,000	
Total obligations		150,203	4,797
Unobligated balance available, start of year: Treasury balance			-4,797
Unobligated balance available, end of year: Treasury balance		4,797	
Budget authority (appropriation)		155,000	
Relation of obligations to outlays:			
Total obligations		150,203	4,797
Obligated balance, start of year: Treasury balance		131,276	-32,067
Obligated balance, end of year: Treasury balance		-131,276	
Outlays		18,927	104,808

Summary of Budget Authority and Outlays

(In thousands of dollars)

	1993 actual	1994 est.	1995 est.
Unobligated:			
Budget Authority		155,000	
Outlays		18,927	104,808
Legislative proposal, not subject to PAYGO:			
Budget Authority			900,000
Outlays			108,310
Total:			
Budget Authority		155,000	900,000
Outlays		18,927	212,316

The Administration has proposed new legislative authority for programs in this account. When new authorizing legislation is enacted, resources will be requested for activities in the Education reform account. See the "Legislative proposal, not subject to PAYGO" schedule for additional details.

Object Classification (in thousands of dollars)

Identification code 91-0500-0-1-501	1993 actual	1994 est.	1995 est.
Personnel compensation:			
11.1 Full-time permanent		201	802
11.3 Other than full-time permanent		108	430
11.5 Other personnel compensation		14	58
11.9 Total personnel compensation		323	1
12.1 Civilian personnel benefits		77	
21.0 Travel and transportation of persons		100	298
22.0 Transportation of things		22	120
23.1 Rental payments to GSA		90	360
23.3 Communications, utilities, and miscellaneous charges		100	446
24.0 Printing and reproduction		1,000	36
25.1 Consulting services		7,400	800
25.2 Other services		1,991	960
25.3 Purchases of goods and services from Government accounts		36	
26.0 Supplies and materials		44	100
31.0 Equipment		20	80
41.0 Grants, subsidies, and contributions		139,000	
99.9 Total obligations		150,203	4,797

Personnel Summary

Identification code 91-0500-0-1-501	1993 actual	1994 est.	1995 est.
1001 Total compensable workyears: Full-time equivalent employment		4	20

EDUCATION REFORM

(Legislative proposal, not subject to PAYGO)

Program and Financing (in thousands of dollars)

Identification code 91-0500-2-1-501	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Goals 2000: Educate America			700,000
00.02 School-to-work opportunities			150,000
00.03 Educational technology			50,000
10.00 Total obligations			900,000
Financing:			
40.00 Budget authority (appropriation)			900,000
Relation of obligations to outlays:			
71.00 Total obligations			900,000
72.40 Obligated balance, start of year: Treasury balance			-791,600
74.40 Obligated balance, end of year: Treasury balance			
90.00 Outlays			108,200

The resources in this schedule are proposed for later transmittal under proposed legislation to support State system education reform efforts, to establish a national system of school-to-work transition, and for educational technology. Under pending legislative proposals, resources would be requested for the following activities:

Goals 2000: Educate America.—Funds would be used to create a national framework for education reform and to meet the National Education Goals. New authorities would include: a National Education Goals Panel; a National Education Standards and Improvement Council; grants to develop voluntary opportunity-to-learn standards and to help States and localities develop systems of assessments linked to State content standards; and formula grants to support State and local efforts to improve teaching and learning to benefit children.

NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

DESCRIPTION:

Established in 1994 by the Goals 2000: Educate America Act, the National Education Standards and Improvement Council was to be an independent agency responsible for reviewing standards for what students should know and be able to do in the core subjects at various grade levels. The Council was to review content and performance standards developed for voluntary use by interested States and school districts, as well as standards developed by States for use in their respective States.

According to a source at the National Education Goals Panel, this agency has not been implemented because Congress is reconsidering its advisability in the face of current fiscal attitudes.

FY 1996 BUDGET PROPOSAL:

The FY 1996 Budget calls for \$3,000,000 for necessary expenses and 7 FTE. The proposed FY 1995 budget, for the Council was listed as a legislative initiative under the Department of Education.

AGENCY PROPOSAL:

There is currently no staff to speak for the Council.

DECISION OPTIONS:

- A. No Change; follow the FY 1996 budget recommendation and press Congress to allow funding for the Council.
- B. Propose to Congress that Federal funding be sharply reduced and the States invited to provide their fair share of talent and revenues to support an intergovernmental effort.
- C. Terminate the Panel and rescind the funding.
- D. Terminate the Panel and transfer its planned responsibilities to its sister agency, the National Education Goals Panel.

ADVISORY GROUP RECOMMENDATION: C

RATIONALE:

The Council would be yet another Federal entity reviewing and passing judgment on standards developed by the individual States. A proactive approach that engages the States in developing standards will delegate decision making away from Washington and make the States the authors of the standards they could have ignored anyway, under the current proposal.

STEERING COMMITTEE COMMENT:

NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

Federal Funds

General and special funds:

NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

For expenses necessary for the National Education Standards and Improvement Council, as authorized by title II, part B of the Goal. 2000: Educate America Act, \$3,000,000.

Program and Financing (in thousands of dollars)

Identification code 95-2550-0-1-503		1994 actual	1995 est.	1996 est.
Program by activities:				
10.00	Total obligations		2,000	3,000
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance		-2,000	
24.40	Unobligated balance available, end of year: Treasury balance	2,000		
39.00	Budget authority	2,000		3,000
Budget authority:				
40.00	Appropriation			3,000
42.00	Transferred from other accounts	2,000		
43.00	Appropriation (total)	2,000		3,000
Relation of obligations to outlays:				
71.00	Total obligations		2,000	3,000
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance			768
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance		-768	-1,336
90.00	Outlays		1,232	2,432

Object Classification (in thousands of dollars)

Identification code 95-2550-0-1-503		1994 actual	1995 est.	1996 est.
Personnel compensation:				
11.1	Full-time permanent		228	455
11.3	Other than full-time permanent		10	10
11.9	Total personnel compensation		238	465
12.1	Civilian personnel benefits		60	116
21.0	Travel and transportation of persons		125	160
22.0	Transportation of things		15	5
23.1	Rental payments to GSA		75	120
23.3	Communications, utilities, and miscellaneous charges		15	28
24.0	Printing and reproduction		100	200
25.1	Advisory and assistance services		770	1,194
25.2	Other services		412	602
25.3	Purchases of goods and services from Government accounts		20	40
26.0	Supplies and materials		10	30
31.0	Equipment		160	40
99.9	Total obligations		2,000	3,000

Personnel Summary

Identification code 95-2550-0-1-503		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment		7	7

The National Education Standards and Improvement Council is an independent agency responsible for reviewing standards for what students should know and be able to do in the core subjects at various grade levels. The Council will review content and performance standards developed for voluntary use by interested States and school districts, as well as standards developed by States for use in their respective States.

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J

Divider Title: _____

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

DESCRIPTION: The Commission was established by Public Law 91-345 on July 20, 1970. It is an independent agency who's mission is to plan and advise governments and agencies on library and information services adequate to meet the needs of the people of the United States through federal cooperation with state and local governments, and public and private agencies. Fourteen Commissioners are appointed by the President for five year terms.

FY 1996 BUDGET PROPOSAL: The FY '95 budget appropriates \$901,000, plus reimbursable funds of \$175,000 from the Department of State to support international library, information and archival activities; and \$300,000 from the National Center for Education Statistics to support the Library Statistics Program. The Commission has seven FTE, one FTE is reserved for Commissioners' salaries. The FY '96 Budget proposal calls for an appropriation of \$962,000, plus the \$475,000 in the reimbursable funds detailed in FY '95.

AGENCY PROPOSAL: The Commission argues that its abolition would deny the United States a national and independent perspective in determining the nation's needs for library and information services, translating those needs into recommended national policy, and advising the President, Congress and state and local governments on the implementation of national policy. Abolition would save the government only .0006% of the FY 1996 federal budget. The Commission recommends it be left in tact to restructure by developing increased support from other agencies, and from additional private and independent resources. Increased cooperation with other agencies will promote intergovernmental, and public sector-private sector, partnerships.

DECISION OPTIONS:

- A. No Change; follow the FY 1996 budget recommendation, while supporting the Commission in its restructuring initiative.
- B. Devolve or privatize the Commission's work to a major state or private university with a library science curriculum. Provide reduced, transitional federal funding for a period of two years to provide incentive and enhance the chances for success of the newly privatized program.
- C. Devolve or privatize the Commission's work to a major state or private university with a library science curriculum with no transitional and temporary funding.
- D. Terminate the Commission. Public Law 103-227, Title IX-Educational Research and Improvement, Part C -- established the National Institute on Post Secondary Education, Libraries, and Lifelong Education within the Department of Education.

ADVISORY GROUP RECOMMENDATION: D

RATIONALE:

The National Institute on Post Secondary Education, Libraries, and Lifelong Education within the Department of Education is capable of performing the mission of the Commission.

STEERING COMMITTEE COMMENT:



United States
National Commission on
Libraries and Information Science

MEMORANDUM

TO: Jerry Nikolaus, Marv Voskhul, and Jay Friedman
National Performance Review Desk Officers

FR: Jeanne Hurley Simon *Jeanne H. Simon*
NCLIS Chairperson

RE: Attached NPR Phase Two Options Paper for the U.S. National
Commission on Libraries and Information Science

DATE: 27 February 1995

The National Performance Review -- Phase Two Options Paper for the U.S. National Commission on Libraries and Information Science (NCLIS) is attached to this memorandum. As an attachment, we are also enclosing the NCLIS 1993/1994 Annual Report which provides background on recent NCLIS functions, programs, and activities. The Annual Report also includes a copy of the Commission's statute, P.L. 91-345.

The NCLIS Options Paper is being transmitted to you as NPR Liaisons for Small and Independent Agencies in response to your memorandum of 17 February 1995. Please let me or Peter R. Young, NCLIS Executive Director know if you require any additional information in preparation for the NPR/OMB Steering Committee review.



U.S. NATIONAL COMMISSION ON LIBRARIES
AND INFORMATION SCIENCE

Options Paper

Results of Review of Agency-- Phase Two -- National Performance Review

27 February 1995

"Standing on the threshold of the twenty-first century, advances in information-gathering technology are bringing a new range of challenges to the forefront. As you work to unite local and state institutions in joint efforts that facilitate the efficient transfer of data, I salute you for helping to ensure equitable access to information for every United States citizen."

- President William J. Clinton

"But there must be a concerted effort to ask the questions and to inventory the challenges and to come up with the best answers. There is a whole collection of those questions [relating to the information superhighway] that has to do with the role of libraries. Copyright, telecommunications, connections, costs, technology, all kinds of stuff. This group [NCLIS] could play an enormously important role in helping the country answer those questions. [NCLIS should] ask those questions, inventory those challenges and respond to the questions that involve libraries' roles in the information superhighway."

- Vice President Al Gore, 29 July 1994

U.S. National Commission on Libraries and Information Science
1110 Vermont Avenue, N.W. - Suite 820
Washington, D.C. 20005
(202) 606-9200

U.S. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Options Paper

STATEMENT OF POLICY The Congress hereby affirms that library and information services adequate to meet the needs of the people of the United States are essential to achieve national goals and to utilize most effectively the Nation's educational resources and that the Federal Government will cooperate with State and local governments and public and private agencies in assuring optimum provision of such services.

Public Law 91-345, establishing NCLIS, July 20, 1970, Sec. 2.

OVERVIEW

The U.S. National Commission on Libraries and Information Science (NCLIS) was established by P.L. 91-345 (July 20, 1970) as an independent agency to *plan* and *advise* governments and agencies on library and information services adequate to meet the *needs of the people* of the United States through federal *cooperation* with state and local governments, and public and private agencies.

The Commission is an executive branch (micro) agency with an appropriation of \$901,000 (FY 1995), plus flow-through reimbursable funds of \$175,000 from the Department of State to support international library, information, and archival activities, and \$300,000 from the National Center for Education Statistics (NCES) to support the Library Statistics Program, cooperatively operated by NCLIS and NCES. NCLIS has seven full-time-equivalent employees (including one FTE reserved for Commissioners' salaries). The Library Statistics Program has two, plus a coordinator under contract.

Fourteen Commissioners (only five of whom can be librarians) are appointed by the President and confirmed by the Senate for five-year terms. The Commissioners receive salary when attending to official NCLIS business. The Librarian of Congress is the only permanent Commissioner.

MISSION AND GOALS

The mission of NCLIS is inherently governmental: NCLIS provides policy advice to the President, the Congress, federal, state, local, and private agencies. This advice is essential to assure the achievement of national *goals*. The goals of NCLIS are:

- 1.) to develop overall *plans* for adequately meeting the library and information *needs* of the people of the United States;
- 2.) to recommend the most effective *utilization* of the nation's educational resources; and
- 3.) to assure optimal provision of library and information services through federal cooperation with state and local governments.

- The Commission's statutory functions are summarized by the following:
- A.) In order to advise, plan and recommend, NCLIS:
 - 1.) conducts studies, surveys and analyses of library and information needs,
 - 2.) appraises and evaluates library and information resources, services and programs,
 - 3.) promotes research to extend and improve national and international library and information communications and cooperative networks,
 - 4.) develops and coordinates plans to meet library and informational needs,
 - 5.) advises the President and the Congress, and federal, state, local, and private agencies on the implementation of library and information services policies.
 - B.) The Commission contracts with federal agencies and other public and private agencies to carry out its functions.
 - C.) The Commission conducts hearings and publishes reports.
 - D.) The Commission cooperates with other federal agencies.

- These statutory functions may be summarized by the following key functions:
- 1. NCLIS *determines the needs* of the people of the U.S. for library and information services.
 - 2. NCLIS *translates those needs* into recommended national policy.
 - 3. NCLIS *advises* the President, the Congress, state and local governments and others on implementation of national policy.

ASSESSMENT OF KEY FUNCTIONS

determining needs of the people of the U.S. for library and information services
Is this program or function critical to the agency's mission based on customer input?

This critical function is the foundation of NCLIS. Responsive national policies require that people's needs for libraries and information are known and understood. In America's transition to the information age, citizens require new resources and skills to participate in the intellectual life of the nation. The Commission fulfills a key role in determining the need for policies to assure that all the people of the U.S. have the opportunity to participate in the global information age.

Can it be done as well or better at the state or local level?

By definition, this function cannot be performed at the state or local level. The Commission determines the needs of all the people of the U.S. from a national independent perspective with special attention to rural areas, the economically, socially, or culturally deprived, and the elderly. NCLIS members, appointed by the President, have special competence or interest in society's diverse needs for library and information services. Studies and research by states, localities, and professional organizations to determine library and information service needs do not always address national goals. NCLIS provides a national policy interpretation for this patchwork of research, plans, and programs by focusing on the needs of all the people. NCLIS develops policy recommendations reflecting this broad range of needs.

Is there any way to cut costs or improve performance by introducing competition?

No. With an annual appropriation of less than a million, NCLIS could not continue to perform its statutory functions with any reduction in appropriations. NCLIS can continue to improve performance, however, by requesting that additional national research, analysis, and hearings be performed by other agencies, when this is warranted, rather than by performing independent research to determine people's needs for library and information services.

Option I: Termination of Function

Pros: Determining the needs of the people for library and information services would cease to be a responsibility of the federal government. The government would save .0006% of the 1996 federal budget.

Cons: The federal government would have no consistent current or future independent basis for evaluating policy options for achieving national goals and which respond to the needs of all the people in areas related to the following, for example:

- state/federal/commercial roles and responsibilities in the national information infrastructure;
- government information services available to the public;
- affordable and equitable opportunities for public access to information services;
- plans to create a global network of electronic libraries;
- protection of intellectual property, security, and individual privacy.

Option II: Restructuring of Function

The Commission could restructure this function by developing increased support from other agencies, and from additional private and independent sources.

Pros: The Commission shall take advantage of the resources, research, and analyses of others agencies — governmental, non-profit, and private. The Commission shall examine and use those products, determine information gaps, and request that appropriate groups undertake studies, analyses and research. If no agency responds to the need for research, the Commission shall accept funds outside its own appropriated budget to assure that the needed facts are available on which to recommend policy.

Cons: Often studies, research, and analyses of library and information services are done from the standpoint of institutional or private needs, not from the independent national perspective of the customer's needs. To ensure formulation of responsive national policies, NCLIS must assure the availability of independent research results in assessing and determining library and information needs of the nation. In performing fewer studies itself, the Commission must develop mechanisms to assure that the research results meet national goals.

ASSESSMENT OF KEY FUNCTIONS:

translating people's needs for library and information services into recommended national policy

Is this program or function critical to the agency's mission based on customer input?

This NCLIS function is critical. Library and information services that meet the needs of the people require the recommendation of appropriate national policies, as well as federal/state coordination. NCLIS recommends national policies to the

President and Congress that address issues of broad public interest. These issues relate to the balance between the interests of the owners and users of intellectual property, the dissemination of federal information, equitable access to telecommunication services, etc. NCLIS recommendations also relate to programs providing financial support to local and state-based libraries and information services, again to help address board issues of the public interest such as equity of educational and economic opportunities, and for ensuring equitable access to information.

Can it be done as well or better at the state or local level?

As with the first function, states and localities are critical partners, but recommendations for national policy require the Commission's national, independent, and objective perspective.

Is there any way to cut costs or improve performance by introducing competition?

Increased cooperation and coordination with other agencies at local, state, federal levels, and with the private sector, are key to improved performance. The National Commission can use research, studies, and analyses performed by other agencies; add perspective when necessary to assure that the people's needs are addressed; scan the environment for new trends, needs, and statistical data to consider; and serve as the federal ombudsman to alert other agencies to needs, advise them of developments, and ask advice in recommending policy. The "competition" is that other federal agencies retain their spheres of influence, expertise and policy, and programmatic authority. NCLIS will work actively to identify needs and to have these needs addressed by other responsible agencies.

Option I: Termination of Function

Pros: Translating people's needs for library and information services into recommended national policy is no longer a responsibility or cost of the federal government.

Cons: People's needs continue but appropriate ways to help meet them at the federal level are not formulated. Program decisions are made, but the impact of these decisions are not available to inform key policy-makers at the national, state, and local levels.

Option II: Restructuring of Function

The Commission could restructure this function by developing support from other agencies, and from additional private and independent sources.

Pros: As NCLIS takes on a more active role with other agencies, everyone benefits from increased knowledge of needs and of allied efforts to research and respond to needs. Better coordination is achieved at the national, state, and local levels.

Cons: None.

ASSESSMENT OF KEY FUNCTIONS:

*advising President, Congress and state and local governments on implementation of
national policy*

Is this program or function critical to the agency's mission based on customer input?

This function is critical to the cycle of determining needs, devising policy to address those needs, implementing policy, and evaluating and revising policy based on

changing conditions. Without advice about the implementation of national policy, the American people stand in danger of losing critical links to rapidly changing information sources concerning the status and condition of national programs and priorities. Especially in the area of new global information networks, commercial interests may not accommodate the specialized library and information needs of certain portions of the population, especially the disadvantaged. Without access to a broad range of information resources, representing a wide range of views, the people become less well-informed and the nation suffers. NCLIS provides a citizen voice for shaping policy to meet the individual library and information needs of all the people.

Can it be done as well or better at the state or local level?

National policy implementation cannot be done at the state or local levels. The effects of national policy, of course, influence the state and local levels and feedback from the local and state levels is necessary, as is coordination between the national and sub-national levels. However, national policy for all the people of the U.S. requires that implementation be established at the national level with coordination at the state and local levels.

Is there any way to cut costs or improve performance by introducing competition?

Implementation of the federal government's various policy and program responsibilities related to library and information services is performed by a variety of executive, legislative, and private agencies, each of which reflects a variety of specialized interests and priorities. NCLIS reflects the interests of its citizen-members, appointed by the President to advise on the implementation of policies which affect all the people in the nation. Improved performance can be achieved with improved coordination and oversight, which the National Commission can provide, rather than performing its own studies, research, hearings, etc.

Option I: Termination of Function

Pros: National policy addressing people's needs for libraries and information services ceases to be a responsibility or cost of the federal government.

Cons: State and local governments, and libraries and information service organizations require policy direction, support, and advice from the federal government. This will not be forthcoming at this critical time of social transition to the global information society. Without national policy direction, equitable individual participation in the emerging global information age may well prove impossible. Gaps between those who have access to information and those who suffer from lack of such access will increase, and social, educational, and economic problems will increase.

Option II: Restructuring of Function

The Commission could restructure this function by developing support from other agencies, and from additional private and independent sources.

Pros: As NCLIS takes on a more proactive and coordinating role, everyone benefits from increased knowledge of needs and from allied efforts to research and respond to the changing needs of society for information services and libraries. The information society has the opportunity to promote understanding of diversity in the global community.

Cons: None.

Clinton Presidential Records Digital Records Marker

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This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

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Divider Title: _____

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

DESCRIPTION: The National Endowment for the Arts implements part of the National Foundation on the Arts and Humanities Act of 1965, as amended. The NEA provides grants to, or contracts with, groups, individuals of exceptional talent, and State or regional organizations engaged in or concerned with the arts. Programs encourage individual and institutional development of the arts, preservation of the American artistic heritage, wider availability of the arts, leadership in arts, and the stimulation of non-Federal sources of support for the Nation's artistic activities.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$172.985 million, an increase of \$5,054,000 from FY 95. Proposed FY 96 FTE is 273; no change of FTE from FY 95.

AGENCY PROPOSAL: The National Endowment for the Arts proposes no significant changes in its organization or operation.

DECISION OPTIONS:

- A. No change; follow FY 96 budget recommendation
- B. Terminate funding.

ADVISORY GROUP RECOMMENDATION:

A.

RATIONALE:

The Administration has strong support for the NEA. The FY 96 Budget proposes an increase of over \$5 million.

STEERING COMMITTEE RECOMMENDATION

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

DESCRIPTION: The National Endowment for the Arts implements part of the National Foundation on the Arts and Humanities Act of 1965, as amended. The NEA provides grants to, or contracts with, groups, individuals of exceptional talent, and State or regional organizations engaged in or concerned with the arts. Programs encourage individual and institutional development of the arts, preservation of the American artistic heritage, wider availability of the arts, leadership in arts, and the stimulation of non-Federal sources of support for the Nation's artistic activities.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$172.985 million, an increase of \$5,054,000 from FY 95. Proposed FY 96 FTE is 273; no change of FTE from FY 95.

AGENCY PROPOSAL: The National Endowment for the Arts proposes no significant changes in its organization or operation.

DECISION OPTIONS:

- A. No change; follow FY 96 budget recommendation
- B. Terminate funding.

ADVISORY GROUP RECOMMENDATION:

A.

RATIONALE:

Since the Administration has clarified the strength of its support for the NEA by increasing its budget by \$5 million, no further analysis is required.

STEERING COMMITTEE RECOMMENDATION

The Administration has strong support for NEA.

The FY 96 budget proposes an increase of \$5.0 million.

NATIONAL
ENDOWMENT
FOR THE
ARTS

*The Federal agency
that supports the
visual, literary and
performing arts to
benefit all Americans*

February 17, 1995

The Vice President
United States Senate
Washington, DC 20510

Dear Mr. Vice President:

In response to your directive regarding the National Performance Review, Phase 2, I am pleased to submit the report of the National Endowment for the Arts. We welcome the opportunity to demonstrate our commitment to our customers and to pursuing programs of national significance. As you and the members of the review team read our report, please do not hesitate to contact me if you require any further information.

Respectfully yours,



Jane Alexander
Chairman

Enclosure

Arts in Education

*Challenge &
Advancement*

Dance

Design Arts

Expansion Arts

Folk Arts

International

Literature

Locals

Media Arts

Museum

Music

*Opera/Musical
Theater*

*Presenting &
Commissioning*

State & Regional

Theater

Visual Arts

NATIONAL PERFORMANCE REVIEW, PHASE 2

SUBMITTED BY THE NATIONAL ENDOWMENT FOR THE ARTS
JANE ALEXANDER, CHAIRMAN

The mission of the National Endowment for the Arts is to foster the excellence, diversity, and vitality of the arts in the United States, and to help broaden the availability and appreciation of such excellence, diversity, and vitality. We regard our customers to be the artists, arts organizations, and sponsors of arts and arts education activities that are potential applicants, applicants, and grantees of the agency. Beneficiaries of our service are the participants, audiences, and communities who are provided access to the best contemporary and traditional American art and opportunities for lifelong learning in and through the arts. Our service, while focused primarily on grantmaking, also includes leadership activities such as technical assistance, research and dissemination of information on the arts of national importance, and providing a forum for addressing national and regional issues in the arts.

Through various mechanisms, ranging from focus groups to the convening of annual overview panels evaluating individual programs to surveys and other input solicited for strategic planning purposes, the National Endowment for the Arts regularly secures input from its customers. Additionally, in April 1994, the Chairman of the Endowment convened the first national conference on the arts sponsored by the federal government. More than 1,200 people attended, as well as hundreds who participated on line.

1. If your agency were eliminated, how would the goals or programs of your agency be undertaken -- by other agencies, by states or localities, by the private sector, or not at all?

The National Endowment for the Arts is unique in that it is the only federal agency established expressly to nurture and support arts and artists of the highest quality. Further, in establishing the Endowment, Congress declared that "the arts and the humanities belong to all the people of the United States," and the Arts Endowment was founded to help ensure that all Americans indeed had access to artistic activity of excellence and merit. In meeting this charge, not only do Endowment grants reach into all 50 states, but the agency also supports projects having the potential to serve the entire nation. Through its programs, the Endowment helps support the arts and cultural activities of the more than 170 different ethnic groups that live in every corner of the United States.

There are roles for other federal agencies to play in support of the arts, and the Endowment has worked to help agencies identify those roles. One of the goals of the Endowment is to extend the reach and resources of artists and arts organizations for all Americans by working with other federal agencies to identify mutual interest and concerns, to ensure that they employ the arts to help achieve their goals, and to create partnerships and collaborations.

While these other federal agencies are important complements to the Endowment, they are not substitutes. In working with other federal agencies in support of the arts, the Endowment serves as the catalyst, the national identifier of artistic excellence and merit, and the leader in helping arts organizations and regional, state, and local arts agencies obtain access to potential governmental partners. For example, without the Endowment, federal programming in literature with national organizations such as the YMCA and the American Library Association would cease. Identifying and funding programs which help assure accessibility to arts activities for disabled people across the country would suffer. Leadership in convening over 100 representatives in the arts, education, business, and other sectors toward achieving a national strategy to implement locally arts education standards as a part of GOALS 2000 would be missing.

The Endowment also helps leverage private funding for the arts. Grants from the Arts Endowment require recipient organizations to match their awards 1:1 or 3:1, depending upon the program. The credibility of the Endowment as the national identifier of artistic excellence and merit has proven to be a fund-raising tool for grantees, since most raise private money well beyond the required match, often raising \$11 for every \$1 awarded by the Endowment. Public funds awarded at the state and local levels do not, on average, leverage this much money.

Public arts funding at the state and local levels does not bring the national leadership and leveraging capability that results in partnerships and collaborations with other federal agencies. Nor does it bring a national perspective to awarding artistic excellence, which results in fewer dollars leveraged from the private sector. State arts funding leverages about half the private dollars leveraged on a national level, and about one-third on the local level. Further, a 1994 survey revealed the central role of the Endowment in building a national infrastructure of support for American folk and traditional arts, and in leveraging an increasing annual level of private and local support for traditional American art.

Additionally, it is the leadership provided by the Endowment that helps sustain the country's artistic and cultural heritage by supporting traditional and contemporary art forms often not funded or underfunded at the state or local level or by the private sector. For instance, only six of the 56 state and jurisdictional arts councils have dedicated programs and staff in literature. Independent literary publishers exist in a specific community, but their audience is national. And certain art forms, such as design, are not funded by most states (in the case of design, 75 percent of state agencies have no such funding category). Touring across state lines in art forms such as dance occurs because of the Endowment's leadership, and its involvement further assures that the touring reaches small and rural communities. Because its perspective is national, the Endowment is positioned to identify and serve traditionally underserved (geographically isolated rural, inner-city poor, and certain ethnic) populations as well as senior citizens, disabled people, and people living in institutions. Its leadership in such areas has instilled awareness and responsiveness to these populations at the state and local levels

and in the private sector.

With regard to the private sector taking over national arts funding, the prospects seem unlikely. According to a 1994 survey by the Business Committee for the Arts (BCA), "Although economic predictions [were] more positive for 1994 than 1993, most companies are taking a conservative approach to their philanthropic activities and some companies (42 percent) are shifting resources from the arts to education, health and human services, and environmental initiatives." The average dollar amount given to the arts is projected to decrease to 14 percent in 1994 from 17 percent in 1993 of total philanthropic budgets.

Further, BCA finds that most businesses supporting the arts allocate a majority of their resources (87 percent) to arts projects in their headquarters and major operating communities. The elimination of federal arts support would mean that regions not having a strong business presence, such as small and rural communities, would suffer considerably. And, arts projects having national and regional impact would have difficulty finding private support.

International cultural exchange would suffer as well. A survey of 5,103 arts funding entities found that only 53 would even consider support for international arts exchange. The partnerships with foreign governments, other U.S. government agencies, foundations in this country and abroad, and state and local arts agencies would dissolve if the Endowment were not involved. Planners of international exchange activities depend heavily on the Endowment for information and technical assistance. No other entity in the United States is set up to provide these services. In America, small communities and organizations would probably find it impossible to engage in international cultural exchange without the assistance of the Endowment.

2. If there are goals or programs of national importance that will remain undone and require a federal role in order to be accomplished, should they be done differently than they are being done today in order to enhance service to the customers?

The Endowment is currently examining how to enhance service by conducting a comprehensive examination intended to maximize the investment of public dollars at the federal, regional, state, and local levels. For the most part, the dollars available to the arts diminish when moving up to the federal level from the local level. The largest proportion of funding, approximately \$600 million, is administered by local arts councils; \$247 million by state arts councils; and \$140 million by the National Endowment for the Arts. Regional arts agencies administer approximately \$14 million.

But, while local arts agencies provide substantial resources in some communities, they are nonexistent in others. While state arts agency resources appear substantial in the aggregate, they vary from per capita support of \$8 to only 19 cents. At certain points

in their careers or development, or for certain functions, artists, arts organizations, and communities are sometimes served most effectively and appropriately at the state or local level. Yet, without a federal arts agency, some state and regional arts agencies would probably cease to exist, since federal funding is an important incentive to state support, and others would suffer from the lack of national leadership and be less responsive to the diversity of needs within a state.

Working arts discipline by arts discipline, the Endowment has begun working with regional, state, and local arts agencies in analyzing the effect of public dollars, both in their combined effect and in their individual impact. An appropriate division of grantmaking responsibilities calls for comprehensive analysis, and sometimes difficult decisions, about where the Endowment should be involved in direct grantmaking, where it should be exerting influence with the other public agencies, and where regional, state, and local agencies must be allowed to make decisions and set priorities based on the unique needs of their constituents.

3. How do your customers (not just interest groups) feel about the possible eliminations or changes?

In a 1994 strategic planning exercise conducted with representatives of the arts community -- both grantees and nongrantees -- they were asked to respond to the Endowment's idea of investigating whether greater outreach would be afforded if the grantmaking process were decentralized through regional, state, and local arts agencies and other appropriate organizations. While there was some acknowledgement that a serious review of the interrelationship of arts funding could be beneficial in identifying duplication of effort, most of the reaction was cautionary.

The overriding concern was whether, in decentralizing the grants process, funding at the state and local level would be as diverse and as inclusive as it is at the federal level since current practice in states and localities is not necessarily so now. Funding of meritorious cultural organizations of color was highlighted as an area where the federal government has done a better job of inclusion than state or local agencies. Concern also was expressed about increased overhead costs and more politicalization at the state and local levels. These concerns were summed up by many as concerns about accountability of states and localities to the federal government in their funding patterns.

Many pointed to the importance of the federal role in supporting development of new art forms; identifying trends and issues; convening fields; and having the ability to work across geographic lines, artistic disciplines, and issues.

Financing:			
21.40	Unobligated balance available, start of year: Treasury balance	-2.000	
24.40	Unobligated balance available, end of year: Treasury balance	2.000	
30.00	Budget authority	2.000	3.000
Budget authority:			
40.00	Appropriation		3.000
42.00	Transferred from other accounts	2.000	
43.00	Appropriation (total)	2.000	3.000
Relation of obligations to outlays:			
71.00	Total obligations	2.000	3.000
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance		768
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-768	-1.336
90.00	Outlays	1.232	2.432

Object Classification (in thousands of dollars)

Identification code 95-2550-0-1-503		1994 actual	1995 est.	1996 est.
Personnel compensation:				
11.1	Full-time permanent	228	455	
11.3	Other than full-time permanent	10	10	
11.9	Total personnel compensation	238	465	
12.1	Civilian personnel benefits	60	116	
21.0	Travel and transportation of persons	125	160	
22.0	Transportation of things	15	5	
23.1	Rental payments to GSA	75	120	
23.3	Communications, utilities, and miscellaneous charges	15	28	
24.0	Printing and reproduction	100	200	
25.1	Advisory and assistance services	770	1,194	
25.2	Other services	412	602	
25.3	Purchases of goods and services from Government accounts	20	40	
26.0	Supplies and materials	10	30	
31.0	Equipment	160	40	
99.9	Total obligations	2,000	3,000	

Personnel Summary

Identification code 95-2550-0-1-503		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment		7	7

The National Education Standards and Improvement Council is an independent agency responsible for reviewing standards for what students should know and be able to do in the core subjects at various grade levels. The Council will review content and performance standards developed for voluntary use by interested States and school districts, as well as standards developed by States for use in their respective States.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, [\$141,950,000] \$143,675,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act, to remain available until September 30, [1996] 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [\$29,150,000] \$28,725,000, to remain available until September 30, [1996] 1997, to the National Endowment for the Arts, of which [\$12,750,000] \$12,375,000 shall be available for purposes of section 5[(1)](p)(1): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

[REDUCTION OF FUNDING]

[Each amount appropriated or otherwise made available by this title for "National Endowment for the Arts" is hereby reduced by 2.0 percent.] (Department of the Interior and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 59-0100-0-1-503		1994 actual	1995 est.	1996 est.
Program by activities:				
Direct program:				
00.01	Promotion of the arts	145.286	146.592	145.950
00.02	Administration	23.898	25.216	26.450
00.91	Total direct program	169.184	171.808	172.400
01.01	Reimbursable program	557	573	585
10.00	Total obligations	169.741	172.381	172.985
Financing:				
17.00	Recovery of prior year obligations	-49		
21.40	Unobligated balance available, start of year: Treasury balance	-11.446	-12.367	-7.917
24.40	Unobligated balance available, end of year: Treasury balance	12.367	7.917	7.917
25.00	Unobligated balance expiring	196		
39.00	Budget authority (gross)	170.809	167.931	172.985
Budget authority:				
Current:				
40.00	Appropriation	170.228	167.358	172.400
Permanent:				
68.00	Spending authority from offsetting collections	581	573	585
Relation of obligations to outlays:				
71.00	Total obligations	169.741	172.381	172.985
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	168.051	159.199	159.534
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-159.199	-159.534	-159.635
77.00	Adjustments in expired accounts	-2.657		
78.00	Adjustments in unexpired accounts	-49		
87.00	Outlays (gross)	175.887	172.046	172.884
Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: Federal sources	-581	-573	-585
89.00	Budget authority (net)	170.228	167.358	172.400
90.00	Outlays (net)	175.306	171.473	172.299

The National Endowment for the Arts provides grants to, or contracts with, groups, individuals of exceptional talent, and State or regional organizations engaged in or concerned with the arts. Programs encourage individual and institutional development of the arts, preservation of the American artistic heritage, wider availability of the arts, leadership in the arts, and the stimulation of non-Federal sources of support for the Nation's artistic activities.

Object Classification (in thousands of dollars)

Identification code 59-0100-0-1-503		1994 actual	1995 est.	1996 est.
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	11.759	11.720	12.147

Financing:

21.40	Unobligated balance available, start of year: Treasury balance	-2,000	
	Unobligated balance available, end of year: Treasury balance	2,000	
39.00	Budget authority	2,000	3,000
	Budget authority:		
40.00	Appropriation		3,000
42.00	Transferred from other accounts	2,000	
43.00	Appropriation (total)	2,000	3,000
Relation of obligations to outlays:			
71.00	Total obligations	2,000	3,000
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance		768
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-768	-1,336
90.00	Outlays	1,232	2,432

Object Classification (in thousands of dollars)

Identification code 95-2550-0-1-503	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1	Full-time permanent	228	455
11.3	Other than full-time permanent	10	10
11.9	Total personnel compensation	238	465
12.1	Civilian personnel benefits	60	116
21.0	Travel and transportation of persons	125	160
22.0	Transportation of things	15	5
23.1	Rental payments to GSA	75	120
23.3	Communications, utilities, and miscellaneous charges	15	28
24.0	Printing and reproduction	100	200
25.1	Advisory and assistance services	770	1,194
25.2	Other services	412	602
25.3	Purchases of goods and services from Government accounts	20	40
25.4	Supplies and materials	10	30
25.5	Equipment	160	40
99.9	Total obligations	2,000	3,000

Personnel Summary

Identification code 95-2550-0-1-503	1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment	7	7

The National Education Standards and Improvement Council is an independent agency responsible for reviewing standards for what students should know and be able to do in the core subjects at various grade levels. The Council will review content and performance standards developed for voluntary use by interested States and school districts, as well as standards developed by States for use in their respective States.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, [\$141,950,000] \$43,675,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act, to remain available until September 30, [1996] 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [\$29,150,000] \$28,725,000, to remain available until September 30, [1996] 1997, to the National Endowment for the Arts, of which [\$12,750,000] \$12,375,000 shall be available for purposes of section 5(f)(1)(p)(1): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

[REDUCTION OF FUNDING]

[Each amount appropriated or otherwise made available by this title for "National Endowment for the Arts" is hereby reduced by 2.0 percent.] (*Department of the Interior and Related Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 59-0100-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
Direct program:			
00.01	Promotion of the arts	145,286	146,592
00.02	Administration	23,898	25,216
00.91	Total direct program	169,184	171,808
01.01	Reimbursable program	557	573
10.00	Total obligations	169,741	172,381
Financing:			
17.00	Recovery of prior year obligations	-49	
21.40	Unobligated balance available, start of year: Treasury balance	-11,446	-12,367
24.40	Unobligated balance available, end of year: Treasury balance	12,367	7,917
25.00	Unobligated balance expiring	196	
39.00	Budget authority (gross)	170,809	167,931
Budget authority:			
Current:			
40.00	Appropriation	170,228	167,358
Permanent:			
68.00	Spending authority from offsetting collections	581	573
Relation of obligations to outlays:			
71.00	Total obligations	169,741	172,381
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	168,051	159,199
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-159,199	-159,534
77.00	Adjustments in expired accounts	-2,657	
78.00	Adjustments in unexpired accounts	-49	
87.00	Outlays (gross)	175,887	172,046
Adjustments to gross budget authority and outlays:			
88.00	Offsetting collections from: Federal sources	-581	-573
89.00	Budget authority (net)	170,228	167,358
90.00	Outlays (net)	175,306	171,473

The National Endowment for the Arts provides grants to, or contracts with, groups, individuals of exceptional talent, and State or regional organizations engaged in or concerned with the arts. Programs encourage individual and institutional development of the arts, preservation of the American artistic heritage, wider availability of the arts, leadership in the arts, and the stimulation of non-Federal sources of support for the Nation's artistic activities.

Object Classification (in thousands of dollars)

Identification code 59-0100-0-1-503	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	11,759	11,720

General and special funds—Continued

[REDUCTION OF FUNDING]—Continued

Object Classification (in thousands of dollars)—Continued

Identification code 59-0100-0-1-503		1994 actual	1995 est.	1996 est.
11.3	Other than full-time permanent	1,524	1,756	1,769
11.5	Other personnel compensation	138	143	133
11.8	Special personal services payments	180	225	230
11.9	Total personnel compensation	13,602	13,844	14,279
12.1	Civilian personnel benefits	2,698	2,668	2,661
13.0	Benefits for former personnel	183	30	30
21.0	Travel and transportation of persons	428	500	505
22.0	Transportation of things	87	66	68
23.1	Rental payments to GSA	2,448	2,398	2,458
23.3	Communications, utilities, and miscellaneous charges	550	612	630
24.0	Printing and reproduction	246	380	419
25.2	Other services	3,192	3,926	4,720
26.0	Supplies and materials	231	246	354
31.0	Equipment	234	545	326
41.0	Grants, subsidies, and contributions	145,286	146,593	145,950
99.0	Subtotal, direct obligations	169,184	171,808	172,400
99.0	Reimbursable obligations	557	573	585
99.9	Total obligations	169,741	172,381	172,985

Personnel Summary

Identification code 59-0100-0-1-503		1994 actual	1995 est.	1996 est.
Total compensable workyears:				
1001	Full-time equivalent employment	277	273	273
1005	Full-time equivalent of overtime and holiday hours	1	1	1

ARTS AND ARTIFACTS INDEMNITY FUND

Program and Financing (in thousands of dollars)

Identification code 59-0101-0-1-503		1994 actual	1995 est.	1996 est.
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-280	-280	-280
24.40	Unobligated balance available, end of year: Treasury balance	280	280	280
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Total obligations			
90.00	Outlays			

The Arts and Artifacts Indemnity Act of 1975, as amended, authorizes the Federal Council on the Arts and Humanities to enter into indemnity agreements to cover certain eligible works of art while on traveling exhibition in the United States or abroad. Loss or damage claims certified by the Council are paid from this fund.

Trust Funds

GIFTS AND DONATIONS (ARTS)

Program and Financing (in thousands of dollars)

Identification code 59-8040-0-7-503		1994 actual	1995 est.	1996 est.
Program by activities:				
10.00	Total obligations (object class 25.2)	807	591	700
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-96	-241	-350
24.40	Unobligated balance available, end of year: Treasury balance	241	350	350

60.27 Budget authority (appropriation) (trust fund, indefinite)		953	700
Relation of obligations to outlays:			
71.00	Total obligations	807	
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	69	66
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-66	-170
90.00	Outlays	811	486

The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Arts Endowment to receive money and other donated property. Such gifts be used, sold, or otherwise disposed of to support arts programs and activities. Budget authority in this schedule reflects received each year by the Arts Endowment.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, [\$151,420,000] \$156,087,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering functions of the Act, to remain available until September 30, 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [\$25,963,000] \$25,913,000, to remain available until September 30, 1997, of which [\$14,000,000] \$13,973,000 shall be available to the National Endowment for the Humanities for the purpose of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the amounts of gifts, bequests, and devises of money, and of property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during current and preceding fiscal years for which equal amounts not previously been appropriated. (*Department of the Interior Related Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 59-0200-0-1-503		1994 actual	1995 est.
Program by activities:			
Direct program:			
00.01	Promotion of the humanities	157,853	155,353
00.02	Administration	20,977	21,691
00.91	Total direct program	178,830	177,044
01.01	Reimbursable program	1,180	830
10.00	Total obligations	180,010	177,874
Financing:			
17.00	Recovery of prior year obligations	-313	
21.40	Unobligated balance available, start of year: Treasury balance	-1,026	
24.40	Unobligated balance available, end of year: Treasury balance		
39.00	Budget authority (gross)	178,671	177,874
Budget authority:			
Current:			
40.00	Appropriation	177,491	177,383
40.78	Percentage reduction pursuant to P.L. 103-332		-339
43.00	Appropriation (total)	177,491	177,044
Permanent:			
68.00	Spending authority from offsetting collections	1,180	830
Relation of obligations to outlays:			
71.00	Total obligations	180,010	177,874

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

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Divider Title: _____

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE HUMANITIES

DESCRIPTION: NEH funds activities that are intended to improve the quality of education and teaching in the humanities, to strengthen the scholarly foundation for humanities study and research, and to advance understanding of the humanities among general audiences. Support is provided through outright grants, matching grants, and a combination of the two. Eligible applicants include schools, higher education institutions, libraries, museums, historical organizations, professional associations, other cultural institutions, state humanities councils, and individuals.

FY 1996 BUDGET PROPOSAL: The projected FY 1996 budget authority is \$182.83 million, an increase of \$4.956 million. The projected FY 1996 FTE level is 262 (260 direct/2 reimbursable), no change from FY 1995 levels.

AGENCY PROPOSAL: NEH presented several examples of NPR I initiatives to streamline operations and cut costs. Regarding NPR II, NEH argues that if the endowment were eliminated, nationally significant humanities research and education programs would not be undertaken. NEH argues that it acts in support of NPR goals by empowering local communities, a variety of nonprofit and public institutions, and private individual citizens to carry out the will of Congress through humanities. Because of its national role in humanities funding, NEH argues that its functions cannot be devolved to the states.

DECISION OPTIONS:

- A. No change. Fund at FY 1996 levels.
- B. Terminate funding.

ADVISORY GROUP RECOMMENDATION:

- A. No change. Fund at FY 1996 levels.

RATIONALE: The Administration has strong support for the NEH. The FY 96 Budget proposes an increase of nearly \$5 million.

STEERING COMMITTEE RECOMMENDATION:

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506



February 24, 1995

Mr. Marv Voskhul
The National Performance Review
750 17th Street, N.W. Suite 200
Washington, D.C. 20006

Dear Mr. Voskhul:

In response to the challenge put forward by Vice President Gore on January 3, 1995, the National Endowment for the Humanities has embarked on an ambitious and comprehensive examination of its core programs and functions. We have formed an NPR II team whose membership possesses the requisite combination of seasoned administrators and top management officials. In the short amount of time since the issuance of the Vice President's memo, this team has been at work developing a plan to carry out the NPR mandate in a manner that is mission-focused and customer-driven. The plan calls for extensive consultation with the policy, program, and administrative staff of the Endowment, and with the many groups of "customers" served by the Endowment's grant-making programs and administrative offices. If faithfully executed, we estimate that this plan would take approximately four months to complete.

The newly compressed NPR schedule dictates that we pause early in this process and put forward our best preliminary answers to the three basic questions posed in the Vice President's memo. The enclosed paper lays out our initial thoughts on these questions.

In addressing the NPR questions, we hasten to add that NEH is an agency that is already at work reinventing itself both programmatically and administratively, and has been so for some time. Over the past two years, the Endowment has undertaken a variety of administrative initiatives (such as the implementation of Total Quality Management and the initiation of strategic planning), programmatic initiatives (including the exploration of new funding partnerships with other federal agencies, with states, and with the private sector) and technological initiatives (such as our planned NEH Internet bulletin board) that are designed to carry out our mission for an ever-widening net of NEH "customers."

We would welcome an opportunity to discuss these matters with you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Juan E. Mestas".

Juan E. Mestas
Deputy Chairman

Enclosure

The National Endowment for the Humanities and the National Performance Review

THE NEH MISSION

As directed in the Vice President's memorandum of January 3, we have structured this summary assessment so that the focus is on the Endowment's basic mission. Our mission statement, which has just recently been updated to reflect our best thinking on the goals of the Endowment, describes an agency with four overarching areas of concern:

1. NEH supports significant and innovative scholarship in all humanities disciplines.
2. NEH fosters effective teaching and life-long learning in the humanities.
3. NEH encourages thoughtful public participation in and enjoyment of the humanities.
4. NEH preserves cultural and intellectual resources essential to the people of the United States.

The remainder of this paper seeks to answer the three NPR questions for each of these four mission areas, followed by a summary of administrative streamlining efforts that are being undertaken to cut costs and improve performance.

NEH AND HUMANITIES SCHOLARSHIP

The Endowment seeks to strengthen the intellectual foundations of the humanities through the support of nationally significant research projects. The bulk of this support is provided through the Endowment's Division of Research Programs. Scholars work independently and in teams to compile basic humanities reference works; to collect, transcribe, and edit the papers and works of important historical figures; to translate significant texts; to study ancient cultures; and to examine fundamental questions of the humanities through research conferences.

Question 1. A 1991 study by the American Council of Learned Societies found that NEH provided 64 percent of the research support available for scholars in the humanities. Anecdotal evidence suggests that the proportion of support provided by NEH is even higher today. Clearly, if NEH were eliminated, a substantial portion of nationally significant humanities research would simply not be undertaken. Conversations with our customers and with leaders of several philanthropic organizations suggest that only a fraction of the current NEH support for research would be picked up by the private sector, and virtually none by states and localities. Since neither the Department of Education nor other federal agencies provide postdoctoral fellowships and other research opportunities for humanists, we could not look elsewhere in the federal establishment to replace the support now provided by NEH.

Question 2. As a result of our recent consolidation of the two NEH grant-making divisions that are oriented to the research community, our customers are now provided with a more coherent and streamlined set of funding opportunities. This consolidation has also led to a reduction in the number of separate budget lines for humanities research. We will be talking to applicants and grantees in the coming months to determine whether there are additional ways we can improve our service to them.

Question 3. Preliminary conversations with the "customers" of this division--the community of scholars engaged in humanities research as well as the people and institutions who rely on their work--suggest that the elimination of NEH grant programs would have dire consequences for humanities scholarship. We're hearing this not only from the individuals who conduct the research, but from the institutions that house these scholars. These institutions are themselves struggling to maintain their research support structure and are thus quite alarmed to learn that federal funding may come to an end.

NEH AND HUMANITIES EDUCATION

NEH provides support for humanities education through two of the Endowment's four funding divisions: the Division of Education Programs and the Division of Public Programs. The programs of the former are designed primarily to give teachers and professors the opportunity to acquire a more thorough understanding of the texts and themes of the humanities, while in the Division of Public Programs the emphasis is on lifelong learning for the out-of school public. The focus of this section of the NPR response is on the first of these two, as the second is addressed fully in the section immediately following.

Question 1. If NEH were eliminated, the number of learning opportunities for school teachers of humanities subjects would likely be reduced. It is conceivable that the Department of Education, under its Improving America's Schools Act (the new name for the old Elementary and Secondary Education Act), would fill part of the void, as the Department has opened up a portion of its old Eisenhower program of professional development opportunities to teachers of subjects other than math and science. (The converse is also true: the humanities' component of the Department of Education's professional development programs could be transferred to the Endowment, where the appropriate subject matter expertise resides.) It is doubtful that states, localities, or the private sector would fill the remaining void. The net effect of an elimination of NEH funding, then, would be a greatly diminished set of opportunities for teachers from all parts of the country to gather under the tutelage of nationally recognized scholars in the humanities. More significantly, the tens of thousands of students who would otherwise benefit from their teachers' participation in these programs will stand to lose.

In the higher education arena the picture would be much the same. Apart from a smattering of funding opportunities available through such programs as the Department of Education's Fund for the Improvement of Postsecondary Education (which is not focused

on the humanities), there is little in the public or private sector to assist professors in gaining a deeper understanding of the subjects they teach, nor is much funding available for institutions seeking to strengthen their humanities programs.

Question 2. The Endowment has formed a team to assess the status of various school reform movements and identify areas of opportunity for NEH. From this assessment the team expects to make recommendations concerning the most to effective means to channel the Endowment's resources in ways that will strengthen education in the humanities and further the most promising of current reform movements. Among the initiatives we anticipate is a program of grant opportunities--partially underwritten by the private sector--that will look comprehensively at K-16 education. We believe such an integrated program would be especially beneficial to our ultimate customers--the nation's students.

Question 3. We have heard from many teachers and professors who are dismayed to learn of the possible elimination of NEH programs in support of humanities education. The NEH programs offer these overburdened professionals a rare opportunity to engage in sustained and rigorous study of the subjects they teach. Many institutions of higher education have also expressed their concern about the greatly diminished opportunities that would be available to strengthen educational programs for their students.

NEH AND PUBLIC PARTICIPATION IN THE HUMANITIES

The Endowment's programs for the general public are built on two principles: (1) reflection on the fundamental ideas and perennial questions addressed by the humanities remains important throughout a person's life, not just during the years of formal education; and (2) the humanities can be presented to the general public in ways that are both stimulating and substantive. At NEH, these principles are brought to life through programs providing support for nationally significant radio and television productions, museum exhibitions, and public programs offered by libraries, archives, and other organizations. They are part of a partnership with the Endowment's network of fifty-six state humanities councils, which work locally to involve Americans in the activities and experiences of the humanities.

Question 1. If NEH were eliminated, fewer Americans would have access to high quality public programs in the humanities. Other federal agencies, such as the National Endowment for the Arts, the Institute of Museum Services, the Corporation for Public Broadcasting, or the Department of Education might hand-pick selected emphases of NEH and incorporate them in their own programs, but these agencies are not focused on the humanities (and they are *also* threatened with elimination). Agencies of state and local governments have offered little sustained support for humanities programming over the years, and it is unlikely they will fill the void. Although foundations and corporations have traditionally served as funding partners for many of these programs, their support has declined dramatically in recent years as they have shifted their resources to non-cultural issues. Finally, few private funders are willing to make available the all-important seed

money for planning and development that NEH often provides.

Question 2. NEH's Division of Public Programs is currently engaged in strategic planning to determine how to tailor its funding programs to the needs of the Division's customers. Among the many issues being explored as part of this process are: (1) the basic programmatic structure of the division, (2) new partnerships with other federal agencies and the private sector, and improved partnerships with the state humanities councils, and (3) the use of new technologies to expand access to public humanities programs. Beginning next month, the division plans to hold a series of field meetings with broad representation from different customer groups to gather more systematic information about their views on these and other issues pertinent to the division's work.

Question 3. The threat of the agency's elimination has provoked widespread concerns among museum professionals, public librarians, filmmakers, state and local officials, community leaders, and the public (the ultimate customers for the division's work). They recognize the quality and value of NEH-supported programs and believe that without NEH, Americans' opportunities to understand and appreciate their cultural heritage would be greatly diminished.

NEH AND THE PRESERVATION OF THE NATION'S CULTURAL HERITAGE

In recent years NEH has played a leadership role in the national effort to preserve the books, newspapers, maps, photographs and other objects that are now deteriorating in American libraries, museums, and other repositories. The preservation of these resources is essential to the national interest, as they represent the critical mass of our cultural heritage. NEH helps lead this national effort by providing funding and coordination--through our Division of Preservation and Access--for projects that will help ensure the survival and increase the availability of these important and endangered materials.

Question 1. If NEH were eliminated, much of what is now a focused and vigorous national preservation effort would grind to a halt. Particularly hard-hit would be the twenty-year preservation plan that was developed by NEH and subsequently endorsed and funded by the Congress beginning in FY 1989. This plan now encompasses the participation of hundreds of nonfederal institutions across the country and has created an unprecedented federal/state/private funding partnership for the preservation of cultural resources.

The history of NEH's work in this area indicates that no other agency, or the states, or the private sector would be willing or prepared to assume responsibility for this unique program. Indeed, when Congress initially requested that NEH develop a multi-year preservation program, it did so after testimony from the field concerning the need for such support from the federal government and the impossibility of expecting that the preservation needs of the country's cultural institutions could be met solely through state, local, or private sources. The likelihood of the private sector filling the void is remote, as the

preservation of documents and artifacts has not been an area of significant philanthropic concern (although the preservation of historic buildings *has* been of some interest to the private and independent sectors). Funding permitting, a few states and localities might step forward to preserve selected resources in their regions. The Library of Congress would continue its work, which concentrates on the preservation of its collections and would not therefore address the needs of other institutions that hold a decisive share of the nation's cultural patrimony. Individual institutions that are even now financially hard-pressed would doubtless attempt to continue some preservation work on their own, but these efforts would be greatly reduced in scope and would be sporadic in nature.

Question 2. Although the Division of Preservation and Access was only organized in 1991, we have continually sought ways to reinvent its programs to make them more "user-friendly." A recent streamlining initiative led us to consolidate all of our support for preservation and access activities within a single division (previously applicants seeking support for both types of activities were forced to apply to two separate divisions). Customer service was the watchword driving this change.

Question 3. The possibility of eliminating or severely reducing the Endowment's support for preservation has already prompted intense concern from a broad range of cultural institutions. The American Library Association has passed a resolution asserting that the Division of Preservation and Access "still has an enormous amount of work remaining to ensure permanent survival of and continuing access to the cultural memory contained in various media" and concludes by advocating "reauthorization and continued funding" for NEH. Similar resolutions have been passed by the Association of Research Libraries and Commission on Preservation and Access (a private, non-grantmaking organization). Hundreds of letters have also been sent to Congress from individual institutions and citizens acknowledging the accomplishments and the critical role of NEH's Division of Preservation and Access.

CUTTING COSTS AND IMPROVING PERFORMANCE

The Endowment is undertaking a variety of initiatives to cut costs and improve performance, always keeping at the forefront the goal of serving our customers better. In the past two years we have:

- * simplified our internal organization by removing one entire layer of senior management;
- * implemented a customer-oriented, agency-wide total quality management program;
- * instituted a strategic planning initiative;
- * developed and published customer service standards for NEH;
- * established employee teams to develop initiatives in the areas of incentive awards, employee training, and technology;
- * sought to develop partnerships with other federal agencies and with nonfederal

- entities that have resources to support humanities projects;
- * expanded our use of customer-oriented technologies such as voice mail and Internet bulletin boards; and
- * taken concrete steps to simplify the materials we are sending to grantees while also reducing the amount of information we are seeking from them.

To cut costs further, we may consider the following streamlining initiatives: (1) integrating NEH's now-separate payroll and personnel systems and contracting this function out; (2) combining common administrative functions that we share with the National Endowment for the Arts (e.g., merging our libraries); and (3) making greater use of technology to increase communication with and reduce paperwork demands on our customers. We note in passing that since FY 1979, the Endowment's FTE level has decreased from 296 to 262 (a decrease of nearly 12 percent), resulting in substantial cost savings.

SOME CLOSING THOUGHTS ON QUESTION ONE

A key theme underlying the NPR questions as well as similar types of questions being asked on Capitol Hill is this: Can the programs and functions now served by the federal government be devolved to the states and to the private sector without undue harm to the national interest? This is a complex question demanding a thoughtful answer, but we can offer a few pertinent observations at this early juncture. First, the challenge of striking an appropriate balance between federal and state roles in advancing the national interest is one that has occupied the Endowment since the 1970s, when, under NEH's enabling legislation, humanities councils were created in each of the states and territorial possessions. In the years since, we have achieved what we consider to be an ideal balance between programming whose emphasis is primarily local (i.e., that given over to our state councils), and programming that is national in scope and significance (i.e., that retained by the *National Endowment*). And in fact the relationship is mutually reinforcing: The best of nationally funded programs, having survived a rigorous review process involving the nation's leading scholars and humanities practitioners, are often replicated in the states, while the many programs supported at the local level act collectively to advance the national interest.

Second, the method of advancing the humanities by awarding grants to states, to nonprofit organizations, and to individuals is in many respects a model of "privatization." The Endowment (i.e., the federal government) does not itself carry out NEH's Congressional mandate; rather, we "contract it out" through grants to private entities (running the gamut from colleges to museums to state humanities councils) and to qualified individuals. We thus act in support of NPR's goals by empowering local communities, a variety of nonprofit and public institutions, and individual citizens to carry out the will of the Congress.

Finally, we note that the Endowment is among only a handful of federal agencies that possess the authority to use appropriated funds to leverage additional nonfederal support.

General and special funds—Continued

[REDUCTION OF FUNDING]—Continued

Object Classification (in thousands of dollars)—Continued

Identification code 59-0100-0-1-503	1994 actual	1995 est.	1996 est.
11.3 Other than full-time permanent	1,524	1,756	1,769
11.5 Other personnel compensation	138	143	133
11.8 Special personal services payments	180	225	230
11.9 Total personnel compensation	13,602	13,844	14,279
12.1 Civilian personnel benefits	2,698	2,668	2,661
13.0 Benefits for former personnel	183	30	30
21.0 Travel and transportation of persons	428	500	505
22.0 Transportation of things	87	66	68
23.1 Rental payments to GSA	2,448	2,398	2,458
23.3 Communications, utilities, and miscellaneous changes	550	612	630
24.0 Printing and reproduction	246	380	419
25.2 Other services	3,192	3,926	4,720
26.0 Supplies and materials	231	246	354
31.0 Equipment	234	545	326
41.0 Grants, subsidies, and contributions	145,286	146,593	145,950
99.0 Subtotal, direct obligations	169,184	171,808	172,400
99.0 Reimbursable obligations	557	573	585
99.9 Total obligations	169,741	172,381	172,985

Personnel Summary

Identification code 59-0100-0-1-503	1994 actual	1995 est.	1996 est.
Total compensable workyears:			
1001 Full-time equivalent employment	277	273	273
1005 Full-time equivalent of overtime and holiday hours	1	1	1

ARTS AND ARTIFACTS INDEMNITY FUND

Program and Financing (in thousands of dollars)

Identification code 59-0101-0-1-503		1994 actual	1995 est.	1996 est.
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-280	-280	-280
24.40	Unobligated balance available, end of year: Treasury balance	780	280	280
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Total obligations			
90.00	Outlays			

The Arts and Artifacts Indemnity Act of 1975, as amended, authorizes the Federal Council on the Arts and Humanities to enter into indemnity agreements to cover certain eligible works of art while on traveling exhibition in the United States or abroad. Loss or damage claims certified by the Council are paid from this fund.

Trust Funds

GIFTS AND DONATIONS (ARTS)

Program and Financing (in thousands of dollars) --

Identification code 59-8040-0-7-503	1994 actual	1995 est.	1996 est.
Program by activities:			
19 00 Total obligations (object class 25 2)	597	591	700
Financing:			
21 40 Unobligated balance available, start of year: Treasury balance	-56	-241	-350
24 40 Unobligated balance available, end of year: Treasury balance	241	350	350

60.27	Budget authority (appropriation) (trust fund, indefinite)	953	700
Relation of obligations to outlays:			
71.00	Total obligations	807	591
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance	69	66
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance	-66	-170
90.00	Outlays	811	486

The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Arts Endowment to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support arts programs and activities. Budget authority in this schedule reflects the amount received each year by the Arts Endowment.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation for the Arts and the Humanities Act of 1965, as amended, [\$151,420,000] \$156,087,000 shall be available to the National Foundation for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administrative functions of the Act, to remain available until September 30, 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Endowment for the Arts and the Humanities Act of 1965, as amended, \$25,963,000 shall be available until September 30, 1997, of which \$14,000,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated. (*Department of the Interior, Related Agencies Appropriations Act, 1995.*)

Program and Financing (in thousands of dollars)

Identification code 59-0200-0-1-503		1994 actual	1995 est
Program by activities:			
Direct program:			
00 01	Promotion of the humanities	157,853	155,353
00 02	Administration	20,977	21,691
00 91	Total direct program	178,830	177,044
01 01	Reimbursable program	1,180	830
10 00	Total obligations	180,010	177,874
Financing:			
17 00	Recovery of prior year obligations	-313	
21 40	Unobligated balance available, start of year: Treasury balance	-1,026	
24 40	Unobligated balance available, end of year: Treasury balance		
39 00	Budget authority (gross)	178,671	177,874
Budget authority:			
Current:			
40 00	Appropriation	177,491	177,383
40 78	Percentage reduction pursuant to P.L. 103-332		-339
43 00	Appropriation (total)	177,491	177,044
Permanent:			
68 00	Spending authority from offsetting collections	1,180	830
Relation of obligations to outlays:			
71 00	Total obligations	180,010	177,874

OTHER INDEPENDENT AGENCIES

72.00	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	161,702	159,839	151,623
72.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-159,839	-151,623	-150,413
77.00	Adjustments in expired accounts	-2,608		
78.00	Adjustments in unexpired accounts	-313		
97.00	Outlays (gross)	178,952	186,090	184,040
	Adjustments to gross budget authority and outlays:			
88.00	Offsetting collections from: Federal sources	-1,180	-830	-830
89.00	Budget authority (net)	177,491	177,044	182,000
90.00	Outlays (net)	177,772	185,260	183,210

The National Endowment for the Humanities funds activities that are intended to improve the quality of education and teaching in the humanities, to strengthen the scholarly foundation for humanities study and research, and to advance understanding of the humanities among general audiences. Support is provided through outright grants, matching grants, and a combination of the two. Eligible applicants include schools, higher education institutions, libraries, museums, historical organizations, professional associations, other cultural institutions, state humanities councils and individuals.

Object Classification (in thousands of dollars)

Identification code 59-0200-0-1-503	1994 actual	1995 est.	1996 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	11,265	11,972	12,479
11.3 Other than full-time permanent	813	312	870
11.5 Other personnel compensation	247	200	240
11.8 Special personal services payments	39	40	41
11.9 Total personnel compensation	12,364	13,024	13,630
12.1 Civilian personnel benefits	2,678	2,812	2,944
13.0 Benefits for former personnel	30	30	30
21.0 Travel and transportation of persons	307	330	360
22.0 Transportation of things	6		
23.1 Rental payments to GSA	2,040	2,001	2,041
23.3 Communications, utilities, and miscellaneous charges	536	580	590
24.0 Printing and reproduction	378	380	420
25.2 Other services	2,131	2,298	2,685
25.3 Purchases of goods and services from Government accounts	203	106	110
26.0 Supplies and materials	307	215	285
31.0 Equipment	219	40	240
41.0 Grants, subsidies, and contributions	157,631	155,128	158,665
99.0 Subtotal, direct obligations	178,830	177,044	182,000
99.0 Reimbursable obligations	1,180	330	830
99.9 Total obligations	180,010	177,874	182,830

Personnel Summary

Identification code 59-0200-0-1-503	1994 actual	1995 est.	1996 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	259	250	260
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	2	2	2

Trust Funds

GIFTS AND DONATIONS (HUMANITIES)

Program and Financing (in thousands of dollars)

Identification code 59-8050-0-7-503	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	85	119	100
Financing:			
17.00 Recovery of prior year obligations	-2		

21.40	Unobligated balance available, start of year: Treasury balance	-37	-19	
24.40	Unobligated balance available, end of year: Treasury balance	19		
60.27	Budget authority (appropriation) (trust fund, indefinite)	65	100	100
	Relation of obligations to outlays:			
71.00	Total obligations	85	119	100
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	145	29	75
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-29	-75	-75
78.00	Adjustments in unexpired accounts	-2		
90.00	Outlays	199	73	100

The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Humanities Endowment to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support humanities projects and activities. Budget authority in this schedule reflects cash received each year by the Endowment.

Object Classification (in thousands of dollars)

Identification code 59-8050-0-7-503	1994 actual	1995 est.	1996 est.
23.2 Rental payments to others	1		
25.2 Other services	73	50	50
41.0 Grants, subsidies, and contributions	11	69	50
99.9 Total obligations	85	119	100

ADMINISTRATIVE PROVISION

An administrative provision affecting this agency follows the National Institute of Museum Services.

INSTITUTE OF MUSEUM SERVICES

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, [\$28,770,000] \$29,800,000, to remain available until September 30, 1997. (Department of the Interior and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 59-0300-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Assistance for museums	27.194	27.101	27.900
00.02 Administration	1.583	1.614	1.900
10.00 Total obligations	28.777	28.715	29.800
Financing:			
39.00 Budget authority	28.777	28.715	29.800
Budget authority			
40.00 Appropriation	28.777	28.770	29.800
40.78 Percentage reduction pursuant to PL 103-332		-55	
43.00 Appropriation (total)	28.777	28.715	29.800
Relation of obligations to outlays:			
71.00 Total obligations	28.777	28.715	29.800
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	27.439	28.544	21.358
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-38.544	-21.358	-22.599
77.00 Adjustments in expired accounts	-64		
90.00 Outlays	17.607	45.901	28.559

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Divider Title: _____

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

INSTITUTE OF MUSEUM SERVICES

DESCRIPTION: The Institute of Museum Services is an independent grant-making agency within the National Foundation on the Arts and the Humanities. It was established by Congress in 1976 to assist museums in maintaining, increasing, and improving their services to the public. Grants are awarded to support the efforts of museums to conserve the Nation's historic, scientific, and cultural heritage; to maintain and expand their educational role; and to ease the financial burden borne by museums as a result of their increasing use by the public.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$29.8 million, an increase of \$1.083 million from FY 95. Proposed FY 96 FTE is 18; no change of FTE from FY 95.

AGENCY PROPOSAL: The Institute of Museum Services proposes no significant changes in its organization or operation, claiming they have already streamlined their operation and reorganized, realigning staff positions and lines of supervision to maximize efficiency and empower employees. IMS regularly requests customer input and adjusts their programs accordingly.

DECISION OPTIONS:

- A. No change; follow FY 96 budget recommendation
- B. Terminate funding.

ADVISORY GROUP RECOMMENDATION:

A.

RATIONALE:

The Administration has strong support for the IMA. The FY 96 Budget proposes an increase of over \$1 million.

STEERING COMMITTEE RECOMMENDATION



Institute of Museum Services

A Federal agency serving the nation's museums

Office of the Director • 1100 Pennsylvania Avenue N.W. • Washington, D.C. 20506 • (202) 606-8536

FEBRUARY 17, 1995

FOR: NATIONAL PERFORMANCE REVIEW

FROM: DIANE B. FRANKEL, DIRECTOR *- Diane B. Frankel*

SUBJ: AGENCY OPTION PAPER -- INSTITUTE OF MUSEUM SERVICES

Overview

The Institute of Museum Services (IMS) is a micro federal agency, created by an act of Congress in 1976, the Museum Services Act. The FY 95 enacted appropriation for the agency is \$28,715,000, of which only 5% is allocated to administrative costs, including a staff of 18. The purpose of this agency is to provide assistance to museums to further their educational role, and to ease the financial burden borne by museums as a result of their increasing use by the public.

IMS does this through awarding competitive grants and cooperative agreements in the funding categories described below. The agency provides this support to museums of all sizes and disciplines--from art, history, and science to aquariums, children's museums, and zoos. IMS is engaged in molding its funding categories in response to feedback from our clients, from those who help us deliver our services, and from independent professionals.

This agency has an active commitment to carrying out its mission with the lowest possible cost. Since 1993, the agency has actively analyzed each of its internal policies and functions in every aspect of its operations. By streamlining other administrative functions, the staff of 18 undertook two new funding categories the last two years without additional staff or administrative support. In addition to looking internally, the Director has instituted a system of field hearings in each region of the country, in which members of the general public as well as professionals representing the museum field were invited to comment on the usefulness of the role of IMS and the federal government in making their museums more accessible to all citizens, needs for changes, and suggestions for how IMS might effect these changes.

Such analysis has resulted in the following:

--Internal reorganization of entire agency. Staff positions were realigned and lines of supervision restructured in order to gain the maximum input from each individual employed by IMS. An agency retreat program has been initiated, providing a concentrated forum for employee concerns and suggestions to be aired. Changes in internal policies have resulted, such as the routinization of activities designed to increase communication and input from all:

greater opportunity for individual development of each employee, and the involvement of all employees in redesigning all internal policies.

--Examination of each of our funding categories, with an eye toward eliminating all non-essential funding and unnecessary steps that require applicant/grantee effort to apply, use, and report on IMS funds. Changes have already been implemented in specific funding categories as a result of this examination, and others are under consideration for change in the future.

A brief description of these funding categories follows:

General Operating Support (GOS) = 81% of program funds. Highly competitive process determining recipients of grants that provide unrestricted operating support for public, nonprofit museums of every discipline and budget size.

Conservation Project Support (CP) = 9% of program funds. Funds available for museums to undertake in-depth surveys of their collections, for research in conservation, treatment of objects, and improvement of environmental conditions in which their collections are housed.

Conservation Assessment Program (CAP) = 3% of program funds. Surveys are undertaken by a conservator to help museums assess their collections care needs, and to initiate long range planning.

Museum Assessment Program (MAP) = 2% of program funds. Funds a museum professional to survey the museum's operation and make recommendations for improvements.

Technical Assistance Grants (TAG) = 2% of program funds. Awards are 2-part grants, the first part enabling staff of small museums to get technical training, with the second part for implementing the training at the museum afterwards.

Professional Services Program (PSP) = 1% of program funds. Cooperative agreements are made with museum service organizations to support projects that benefit their entire membership through publications, workshops, and other far-reaching projects.

Museum Leadership Initiatives (MLI) = 2% of program funds. For exemplary programs that meet the most current and urgent needs of museums, and serve as models for other museums to adapt.

"Decision Tree" analysis

IMS offers the following in response to the four key questions in the "sample decision tree" (attached.):

1. Is this program or function critical to the agency's mission based on customer

input?

Each of the programs described above is critical to the agency's mission. Each is based on customer input, through the following means:

- 1) An ongoing evaluation program of all IMS funding categories ensures that each is evaluated within its first decade of operation. A major component of these evaluations is a client survey in which customer input is solicited from those who receive awards as well as those who apply for funding but do not receive awards, and those who do not apply. Major policy changes are not undertaken without this customer input.
- 2) Changes in IMS policies concerning its funding categories as well as operating policies are implemented with further input by the National Museum Services Board, a policy-making panel of fifteen presidentially-appointed representatives of museums and the lay public. In addition, each staff member in the agency is asked to offer suggestions for change and improvement.
- 3) Before changes in agency policy which affect awards to museum applicants are put into effect, the agency solicits input through direct appeals for comment. This is managed through the agency newsletter, press releases, and the federal regulatory process which involves a lengthy public notice and comment period. In the fall of 1994, the Director also conducted a series of six field hearings in which members of the public and professionals representing the museum field were offered the opportunity to comment on IMS programs and make suggestions for future agency activities. The Director maximized the input gathered through the hearings by requesting, and receiving, aid from museum service organizations in a variety of ways: they canvassed their membership and provided responses, they helped facilitate discussions in the hearings, and disseminated results, assisting the agency's effort but at no charge to the government.

Each of these methods ensures that IMS adapts its programs and policies in response to its customers. An example of change that has been implemented is a change in the highest priority program, GOS, which IMS changed to a two-year grant cycle. This resulted in reduced administrative burden on the applicant, decreased costs to administer on the part of IMS, and an increase from approximately 450 museums per year to 600 museums per year receiving the benefits of GOS grant funds.

IMS is at this time soliciting input from the field on a further means to increase GOS grant recipients. Through the agency newsletter and through advance notice of proposed rulemaking, users are asked whether they would favor a requirement to have successful grantees ineligible to compete a third time after they have received two consecutive awards. By "sitting out" one year, several museums would be removed from that year's competition, allowing other highly ranked museums to benefit from awards otherwise not available due to limited funds.

2. Can it be done as well or better at the state or local level?

Through PSP, funds are currently awarded by IMS to state, regional, or discipline-based service organizations for projects that will benefit their entire membership (which consists of individual museums within these areas). This achieves the effect of having small amounts of federal funds benefit multiple organizations. No operating costs of the service organizations are covered by these awards. However, not all disciplines or geographic areas are represented by these organizations; the nation's museums are a national community of generally independent, not-for-profit organizations that do not have a state or national board which certifies them (as do, presumably, boards of education, etc.) Consequently, in order to achieve a more comprehensive distribution of funds, an expanded system would need to be created, probably requiring a significant infusion of start-up and operating funds.

3. (If "no" to the above question), Is there any way to cut cost or improve performance by introducing competition?

Two of the funding categories described, MAP and CAP, are programs in which a specific service (as opposed to money to be used for a project, or for operations) is offered to museums. IMS has initiated a degree of devolution to private organizations for the operation of these categories, as their administration is undertaken by two museum service organizations year after year. This is described in IMS regulations. However, federal assistance is provided through this system to each of these organizations to reimburse their costs to administer these activities.

One alternative that could be explored is competition for the responsibility for administering these programs. It is possible that if the administration of MAP and CAP were opened up to competition, the opportunity for other service organizations to offer less expensive means of administering these programs might exist.

A further means to reduce cost to the federal government could be privatization of these two categories. Criteria for selection of the organization to run MAP and CAP might include the degree to which they could offer the services with no need for federal funds to sustain the operation, in effect offering the assessment programs on a fee-for service basis.

4. How can NPR principles be applied to put customers first, cut red tape, and empower employees?

As outlined in question #1., IMS has a demonstrable history of putting customers first, keeping red tape at a minimum, and is currently working to empower all employees. From its inception it has continually solicited museum input through meetings with museum professionals, workshops, presentations, panels. Requirements for information from applicants and grantees are continually revised to reflect changes in the field, to ensure consistency, and to keep requirements for reporting of information simple.

The agency widely publicizes its activities and pending or enacted changes through its publications such as the agency newsletter, annual report, and theme-specific brochures. Staff at all levels is trained to provide thoughtful, complete information to assist constituents in applying for funds and in how to comply once funding is received.

Consider the following specific examples: Funds awarded under GOS (81% of program funds) are automatically advanced in equal amounts to grantees quarterly, eliminating the need for grantees to submit eight separate requests for grant funds. The TAG funding category is exclusively customer-driven, with small museums identifying their own needs for training, which staff members are most appropriate to receive it, and the source of the training. Invitations for MLI proposals are solicited only after the Director has received input from museums indicating their most pressing needs. The MAP and CAP categories provide confidential recommendations for the exclusive use of the individual museum grantee, made by a qualified museum professional.

Leadership of IMS is committed to continuing to keep customers' needs paramount and to serve them efficiently and effectively. I look forward to the NPR's review of this agency, and welcome questions the review panel may have. Please call Linda Bell or Diane Frankel at 202-606-8536 with questions, or fax any comments to us at 202-606-8591.

72.00	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	161.702	159.839	151.623
74.00	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-159.839	-151.623	-150.413
77.00	Adjustments in expired accounts	-2.608		
78.00	Adjustments in unexpired accounts	-313		
97.00	Outlays (gross)	178.952	186.090	184.040
Adjustments to gross budget authority and outlays:				
88.00	Offsetting collections from: federal sources	-1.180	-830	-830
89.00	Budget authority (net)	177.491	177.044	182.000
90.00	Outlays (net)	177.772	185.260	183.210

The National Endowment for the Humanities funds activities that are intended to improve the quality of education and teaching in the humanities, to strengthen the scholarly foundation for humanities study and research, and to advance understanding of the humanities among general audiences.

Support is provided through outright grants, matching grants, and a combination of the two. Eligible applicants include schools, higher education institutions, libraries, museums, historical organizations, professional associations, other cultural institutions, state humanities councils and individuals.

Object Classification (in thousands of dollars)

Identification code 59-0200-0-1-503	1994 actual	1995 est.	1996 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	11.265	11.972	12.479
11.3	Other than full-time permanent	813	812	870
11.5	Other personnel compensation	247	200	240
11.8	Special personal services payments	39	40	41
11.9	Total personnel compensation	12.364	13.024	13.630
12.1	Civilian personnel benefits	2.678	2.812	2.944
13.0	Benefits for former personnel	30	30	30
21.0	Travel and transportation of persons	307	330	360
22.0	Transportation of things	6		
23.1	Rental payments to GSA	2.040	2.001	2.041
23.3	Communications, utilities, and miscellaneous charges	536	580	590
24.0	Printing and reproduction	378	380	420
25.2	Other services	2.131	2.298	2.585
25.3	Purchases of goods and services from Government accounts	203	106	110
26.0	Supplies and materials	307	215	285
31.0	Equipment	219	140	240
41.0	Grants, subsidies, and contributions	157.631	155.128	158.665
99.0	Subtotal, direct obligations	178.830	177.044	182.000
99.0	Reimbursable obligations	1.180	830	830
99.9	Total obligations	180.010	177.874	182.830

Personnel Summary

Identification code 59-0200-0-1-503		1994 actual	1995 est.	1996 est.
Direct:				
1001	Total compensable workyears: full-time equivalent employment	259	250	260
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	2	2	2

Trust Funds

GIFTS AND DONATIONS (HUMANITIES)

Program and Financing (in thousands of dollars)

Identification code 59-8050-0-7-503	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	85	119	100
Financing:			
17.00 Recovery of prior year obligations	-2		

21.40	Unobligated balance available, start of year: Treasury balance	-37	-19	
24.40	Unobligated balance available, end of year: Treasury balance	19		
60.27	Budget authority (appropriation) (trust fund, indefinite)	65	100	100
Relation of obligations to outlays:				
71.00	Total obligations	85	119	100
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	145	29	75
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-29	-75	-75
78.00	Adjustments in unexpired accounts	-2		
90.00	Outlays	199	73	100

The National Foundation on the Arts and the Humanities Act of 1965, as amended, authorizes the Humanities Endowment to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support humanities projects and activities. Budget authority in this schedule reflects cash received each year by the Endowment.

Object Classification (in thousands of dollars)

Identification code 59-8050-0-7-503		1994 actual	1995 est.	1996 est.
23.2	Rental payments to others	1		
25.2	Other services	73	50	50
41.0	Grants, subsidies, and contributions	11	69	50
99.9	Total obligations	85	119	100

ADMINISTRATIVE PROVISION

An administrative provision affecting this agency follows the National Institute of Museum Services.

INSTITUTE OF MUSEUM SERVICES

Federal Funds

General and special funds:

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, [\$28,770,000] \$29,800,000, to remain available until September 30, 1997. (Department of the Interior and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 59-0300-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Assistance for museums	27.194	27.101	27.900
00.02 Administration	1.583	1.614	1.900
10.00 Total obligations	28.777	28.715	29.800
Financing:			
39.00 Budget authority	28.777	28.715	29.800
Budget authority:			
40.00 Appropriation	28.777	28.770	29.800
40.78 Percentage reduction pursuant to P.L. 103-332		-55	
43.00 Appropriation (total)	28.777	28.715	29.800
Relation of obligations to outlays:			
71.00 Total obligations	28.777	28.715	29.800
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	27.439	28.544	21.358
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-38.544	-21.358	-22.599
77.00 Adjustments in expired accounts	-64		
90.00 Outlays	17.607	15.901	13.559

General and special funds—Continued

GRANTS AND ADMINISTRATION—Continued

The Institute of Museum Services provides competitive grants to a broad range of museums which exhibit both living and non-living collections. Its programs help museums improve the quality of their programs and operations to better exhibit, preserve, and teach about our cultural, historic, and scientific heritage.

Object Classification (in thousands of dollars)

Identification code 59-0300-0-1-503	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	619	750	793
11.3 Other than full-time permanent	65	21	31
11.5 Other personnel compensation	26	17	17
11.9 Total personnel compensation	710	788	841
12.1 Civilian personnel benefits	167	173	188
13.0 Benefits for former personnel	4		
21.0 Travel and transportation of persons	57	75	81
22.0 Transportation of things	16	8	8
23.1 Rental payments to GSA	136	134	137
23.3 Communications, utilities, and miscellaneous charges	56	56	56
24.0 Printing and reproduction	48	38	38
25.2 Other services	272	236	432
25.3 Purchases of goods and services from Government accounts	80	87	90
26.0 Supplies and materials	16	9	14
31.0 Equipment	21	10	15
41.0 Grants, subsidies, and contributions	27,194	27,101	27,900
99.9 Total obligations	28,777	28,715	29,800

Personnel Summary

Identification code 59-0300-0-1-503	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	15	19	19

Trust Funds

GIFTS AND DONATIONS (MUSEUM SERVICES)

Program and Financing (in thousands of dollars)

Identification code 59-8080-0-7-503	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	4	13	15
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-3	-12	-14
24.40 Unobligated balance available, end of year: Treasury balance	12	14	17
60.27 Budget authority (appropriation) (trust fund, indefinite)	12	15	18
Relation of obligations to outlays:			
71.00 Total obligations	4	13	15
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance		3	
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance	-3		
90.00 Outlays	1	16	15

The National Foundation on the Arts and Humanities Act of 1965, as amended, authorizes the Institute of Museum Services to receive money and other donated property. Such gifts may be used, sold, or otherwise disposed of to support the activities of the Institute. Budget authority in this schedule reflects donations received each year by the Institute.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of the Act of 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for reception and representation expenses. (Department of the Interior and Related Agencies Appropriations Act, 1995.)

NATIONAL LABOR RELATIONS BOARD

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Manager Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 1935 (29 U.S.C. 152), and as amended by the Labor-Manager Relations Act, 1947, as amended, and as defined in section 3 of the Act of June 25, 1938 (29 U.S.C. 203), and including in definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per cent of the water stored or supplied thereby is used for farming purposes. (Department of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 63-0100-0-1-505	1994 actual	1995 est.	1996 est.
Program by activities:			
Direct program:			
00.01 Field investigation	132,699	136,613	
00.02 Administrative law judge hearing	14,280	14,788	
00.03 Board adjudication	15,995	16,548	
00.04 Securing compliance with Board orders	7,438	7,570	
00.05 Internal Review	502	528	
00.91 Total direct program	170,914	176,047	
01.01 Reimbursable program	41	50	
10.00 Total obligations	170,955	176,097	
Financing:			
25.00 Unobligated balance expiring	360		
39.00 Budget authority (gross)	171,315	176,097	
Budget authority:			
Current:			
40.00 Appropriation	171,274	176,047	
Permanent:			
68.00 Spending authority from offsetting collections	41	50	
Relation of obligations to outlays:			
71.00 Total obligations	170,955	176,097	
Obligated balance, start of year:			
72.10 Receivables from other government accounts	-2,188	-1,477	
72.40 Unpaid obligations: Treasury balance	17,145	14,144	
Obligated balance, end of year:			
74.10 Receivables from other government accounts	1,477	1,500	
74.40 Unpaid obligations: Treasury balance	-14,144	-14,515	
77.00 Adjustments in expired accounts	-331		
87.00 Outlays (gross)	172,914	175,749	
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from Federal sources	-41	-50	
89.00 Budget authority (net)	171,274	176,047	
90.00 Outlays (net)	172,873	175,699	

The Board resolves representation disputes in industry, remedies and prevents specified unfair labor practices by

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Divider Title: _____

NATIONAL AFRO-AMERICAN HISTORY AND CULTURE COMMISSION

DESCRIPTION: The Commission is responsible for making recommendations on the development and operation of the National Center for the Study of Afro-American History and Culture.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$0. A total of \$19,000 remains outstanding from the initial appropriation. Proposed FY 96 FTE is 0.

AGENCY PROPOSAL: N/A

DECISION OPTIONS:

- A. Terminate. Include as part of the "house keeping" legislation of ReGo II
- B. No change.

ADVISORY GROUP RECOMMENDATION: A

RATIONALE:

The Commission has been scheduled to submit its report to Congress for the past eight years and to date has not done so.

The Commission is defunct and effectively unfunded. Include termination with ReGo II "house-keeping" legislation..

STEERING COMMITTEE RECOMMENDATION

NATIONAL AFRO-AMERICAN HISTORY AND CULTURE COMMISSION

Federal Funds

General and special funds:

NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE

Program and Financing (in thousands of dollars)

Identification code 95-3800-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 25.2)	4	19	
Financing:			
17.00 Recovery of prior year obligations	-5		
21.40 Unobligated balance available, start of year: Treasury balance	-18	-19	
24.40 Unobligated balance available, end of year: Treasury balance	19		

General and special funds—Continued

NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 95-3800-0-1-503	1994 actual	1995 est.	1996 est.
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations	4	19	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	5		
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance			
78.00 Adjustments in unexpired accounts	-5		
90.00 Outlays	4	19	

The National Afro-American History and Culture Commission is responsible for making recommendations on the development and operation of the National Center for the Study of Afro-American History and Culture. The Commission will submit its report to the Congress in 1995.

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O

Divider Title: _____

NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION

DESCRIPTION: The Commission is authorized by Title XIV, Part B of the Higher Education Act, as amended, and was provided one-time funding in 1993 to study and report on a National policy on independent colleges and universities appropriate to meeting the nation's higher educational goals in the 21st century. The Commission authority terminates on July 23, 1995.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$ 0, no change from FY 95. None of the original authorized money has been obligated to date. Proposed FY 96 FTE is 0. No FTE have ever been hired.

AGENCY PROPOSAL:

OMB informs that this Commission has not been formed.

DECISION OPTIONS:

- A. Rescind authorization.
- B. No change. Allow Commission to terminate as scheduled on July 23, 1995.

ADVISORY GROUP RECOMMENDATION: A.

RATIONALE:

To ensure that the unobligated funds are not expended.

STEERING COMMITTEE RECOMMENDATION

NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-5256-0-2-502		1994 actual	1995 est.	1996 est.
Program by activities:				
10.00	Total obligations		992	
Financing:				
11.40	Unobligated balance available, start of year: Treasury balance	-992	-992	
24.40	Unobligated balance available, end of year: Treasury balance	992		
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Total obligations		992	
72.40	Obligated balance, start of year: Unpaid obligations: Treasury balance			477
74.40	Obligated balance, end of year: Unpaid obligations: Treasury balance		-477	-70
90.00	Outlays		515	407

The National Commission on Independent Higher Education is authorized by Title XIV, Part B of the Higher Education Act, as amended, and was provided one-time funding in 1993 to study and report on "a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century". The commission will terminate on July 23, 1995.

Object Classification (in thousands of dollars)

Identification code 48-5256-0-2-502		1994 actual	1995 est.	1996 est.
11.1	Personnel compensation: Full-time permanent		64	
12.1	Civilian personnel benefits		16	
21.0	Travel and transportation of persons		6	
23.3	Communications, utilities, and miscellaneous charges		13	
24.0	Printing and reproduction		69	
25.2	Other services		812	
26.0	Supplies and materials		6	
31.0	Equipment		6	
99.9	Total obligations		992	

Personnel Summary

Identification code 48-5256-0-2-502		1994 actual	1995 est.	1996 est.
1001	Total compensable workyears: Full-time equivalent employment		2	

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P

Divider Title: _____

NATIONAL COMMISSION ON THE COST OF HIGHER EDUCATION

DESCRIPTION: The Commission is authorized by Title XIV, Part C of the Higher Education Act, as amended, and was provided one-time funding in the amount of \$992,000 in 1993 to study and make findings and recommendations regarding a variety of issues relating to the cost of higher education.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$ 0. Funding is based on the one-time 1993 funding. Of the original authorized money, the FY 95 budget estimate was \$744,000. The FY 96 budget estimate projects obligation of the remaining \$244,000. To date, no money has been spent. Proposed FY 96 FTE is 2; no FTE have ever been hired.

AGENCY PROPOSAL:

OMB informs that this Commission has not been formed.

DECISION OPTIONS:

- A. Rescind authorization.
- B. No change. Allow Commission to be staffed and proceed with study as authorized.

ADVISORY GROUP RECOMMENDATION: A

RATIONALE: To ensure that the unobligated funds are not expended.

STEERING COMMITTEE RECOMMENDATION

Financing:			
Budget authority (appropriation)	5,868	5,655	6,000
Relation of obligations to outlays:			
Total obligations	5,868	5,655	6,000
Obligated balance, start of year: Unpaid obligations:			
Treasury balance	1,697	2,264	2,829
Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-2,264	-2,829	-3,429
Outlays	5,301	5,090	5,400

The National Capital Planning Commission is the central planning agency for the Federal Government in the National Capital Region. During 1996, major emphasis will be placed on the following activities: the maintenance of Federal elements of the Comprehensive Plan for the National Capital, the five-year Federal Capital Improvements program, the review of Federal land acquisition and development proposals in the region, relevant zoning analyses, and continuing Federal interest reviews of the impact of proposed local, State and regional planning efforts on the Federal establishment. In addition, there will be an emphasis on the development of computer-based analytical planning tools. These tools will be used in cooperation with other agencies early in the planning process to allow for resolution of differences before the final review and approval stages.

Object Classification (in thousands of dollars)

Identification code 95-2500-0-1-451	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	2,508	2,417	2,961
11.3 Other than full-time permanent	120	116	110
11.5 Other personnel compensation	111	108	82
24.0 Total personnel compensation	2,739	2,641	3,153
Civilian personnel benefits	476	459	432
Travel and transportation of persons	58	55	36
Rental payments to GSA	1,125	1,085	1,125
23.3 Communications, utilities, and miscellaneous charges	173	168	127
24.0 Printing and reproduction	156	150	135
25.1 Advisory and assistance services	822	792	731
25.2 Other services	161	141	108
26.0 Supplies and materials	62	71	43
31.0 Equipment	96	93	110
99.9 Total obligations	5,868	5,655	6,000

Personnel Summary

Identification code 95-2500-0-1-451	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears. Full-time equivalent employment	48	55	54

NATIONAL COMMISSION ON AMERICAN INDIAN, ALASKA NATIVE, AND NATIVE HAWAIIAN HOUSING

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-0030-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations (object class 24.0)	3		
Financing:			
Recovery of prior year obligations	-8	2	
Unobligated balance available, start of year: Treasury balance	-35	-39	
24.40 Unobligated balance available, end of year: Treasury balance	39		
25.00 Unobligated balance expiring		37	

39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations		3	
Obligated balance, start of year:			
72.10 Receivables from other government accounts		-2	
72.40 Unpaid obligations: Treasury balance		36	
Obligated balance, end of year:			
74.10 Receivables from other government accounts		2	
74.40 Unpaid obligations: Treasury balance			2
78.00 Adjustments in unexpired accounts		-8	
90.00 Outlays		33	

The Commission was charged with: evaluating factors impeding the development of safe and affordable housing for American Indians, Alaska Natives, and Native Hawaiians; assessing the most promising strategies for developing, managing, and modernizing housing for these groups; and recommending an action plan of legislative, regulatory, or administrative action necessary to provide safe and affordable housing for Native people. In August 1992 the Commission issued a report containing 34 recommendations for enhancing the delivery of Federal housing programs for Native people. A supplemental report proposing legislative changes needed to carry out the recommendations was issued in September 1993. The Commission was terminated on October 1, 1993.

NATIONAL COMMISSION ON COST OF HIGHER EDUCATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-0410-0-1-502	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations		744	248
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-992	-992	-248
24.40 Unobligated balance available, end of year: Treasury balance	992	248	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations		744	248
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance			229
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance		-229	-70
90.00 Outlays		515	407

The National Commission on the Cost of Higher Education is authorized by Title XIV, Part C of the Higher Education Act, as amended, and was provided one-time funding in 1993 to study and make findings and recommendations regarding a variety of issues relating to the cost of higher education.

Object Classification (in thousands of dollars)

Identification code 48-0410-0-1-502	1994 actual	1995 est.	1996 est.
11.1 Personnel compensation: Full-time permanent		64	64
12.1 Civilian personnel benefits		16	16
21.0 Travel and transportation of persons		6	6
23.3 Communications, utilities, and miscellaneous charges		13	13
24.0 Printing and reproduction		19	50
25.2 Other services		620	93
26.0 Supplies and materials		3	3
31.0 Equipment		3	3
99.9 Total obligations		744	248

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Personnel Summary

Identification code 48-0410-0-1-502	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment		2	2

NATIONAL COMMISSION ON FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-0960-0-1-373	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	3		
Financing:			
17.00 Recovery of prior year obligations	-7		
21.40 Unobligated balance available, start of year: Treasury balance	-14	-18	
24.40 Unobligated balance available, end of year: Treasury balance	18		
25.00 Unobligated balance expiring		18	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations	3		
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance	32		
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance			
78.00 Adjustments in unexpired accounts	-7		
90.00 Outlays	29		

The National Commission on Financial Institutions Reform, Recovery, and Enforcement was created by the Crime Control Act of 1990 and consisted of eight members appointed by the President and Congress. The Act also authorized \$1,000,000 in Treasury funding for the Commission. In July 1993, the Commission issued its report on the origins and causes of the thrift crisis and recommendations for reform. The Commission completed its activities in 1994.

Object Classification (in thousands of dollars)

Identification code 48-0960-0-1-373	1994 actual	1995 est.	1996 est.
23.3 Communications, utilities, and miscellaneous charges	2		
31.0 Equipment	1		
99.9 Total obligations	3		

NATIONAL COMMISSION ON INDEPENDENT HIGHER EDUCATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-5256-0-2-502	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations		992	

Financing:

21.40 Unobligated balance available, start of year: Treasury balance	-992	-992	
24.40 Unobligated balance available, end of year: Treasury balance	992		
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations		992	
72.40 Obligated balance, start of year: Unpaid obligations: Treasury balance			477
74.40 Obligated balance, end of year: Unpaid obligations: Treasury balance		-477	-70
90.00 Outlays		515	407

The National Commission on Independent Higher Education is authorized by Title XIV, Part B of the Higher Education Act, as amended, and was provided one-time funding in 1993 to study and report on "a national policy on independent colleges and universities appropriate to meeting the Nation's higher educational goals in the twenty-first century". The commission will terminate on July 23, 1995.

Object Classification (in thousands of dollars)

Identification code 48-5256-0-2-502	1994 actual	1995 est.	1996 est.
11.1 Personnel compensation: Full-time permanent		64	
12.1 Civilian personnel benefits		16	
21.0 Travel and transportation of persons		6	
23.3 Communications, utilities, and miscellaneous charges		13	
24.0 Printing and reproduction		69	
25.2 Other services		812	
26.0 Supplies and materials		6	
31.0 Equipment		6	
99.9 Total obligations		992	

Personnel Summary

Identification code 48-5256-0-2-502	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment		2	

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345, as amended by Public Law 102-95), [\$901,000] \$962,000. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 95-2700-0-1-503	1994 actual	1995 est.	1996 est.
Program by activities:			
00.01 Direct program	892	901	962
01.01 Reimbursable program	500	475	475
10.00 Total obligations	1,392	1,376	1,437
Financing:			
25.00 Unobligated balance expiring	12		
39.00 Budget authority (gross)	1,404	1,376	1,437
Budget authority:			
Current:			
40.00 Appropriation	904	901	962
Permanent:			
68.00 Spending authority from offsetting collections	500	475	475

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Divider Title: _____

NATIONAL COMMISSION ON MIGRANT EDUCATION

DESCRIPTION: The Commission was a temporary commission created to study issues related to the education of migrant children and adults. The Commission reported its findings and recommendations to Congress in September 1992.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$0. FTE is 0. The unobligated balance expiring is \$152,000.00.

AGENCY PROPOSAL: N/A

RATIONALE: The commission has terminated. OMB informs that no clean-up legislation is required because the original legislation states the Commission would become defunct within 90 days of report submission.

STEERING COMMITTEE COMMENT:

OTHER INDEPENDENT AGENCIES

Relation of obligations to outlays:				
71.00	Total obligations	1,392	1,376	1,437
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	140	269	137
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-269	-137	-144
77.00	Adjustments in expired accounts	-43		
87.00	Outlays (gross)	1,228	1,508	1,430
Adjustments to gross budget authority and outlays:				
Offsetting collections from:				
88.00	Federal sources	-500	-428	-428
88.40	Non-Federal sources		-47	-47
88.90	Total, offsetting collections	-500	-475	-475
89.00	Budget authority (net)	904	901	962
90.00	Outlays (net)	720	1,033	955

The Commission is responsible for developing plans for meeting the library and information needs of the Nation, for coordinating Federal, State, and local activities to meet these needs, and for advising the President and the Congress on national library and information science policy.

Object Classification (in thousands of dollars)

Identification code 95-2700-0-1-503				
	1994 actual	1995 est.	1996 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	334	376	392
11.3	Other than full-time permanent	40	58	50
11.9	Total personnel compensation	374	434	442
12.1	Civilian personnel benefits	64	88	94
21.0	Travel and transportation of persons	90	76	78
23.1	Rental payments to GSA	124	128	131
23.3	Communications, utilities, and miscellaneous charges	18	35	42
24.0	Printing and reproduction	26	15	15
25.1	Advisory and assistance services	44	43	66
25.2	Other services	78	66	68
26.0	Supplies and materials	36	16	20
31.0	Equipment	38		6
99.0	Subtotal, direct obligations	892	901	962
99.0	Reimbursable obligations	500	475	475
99.9	Total obligations	1,392	1,376	1,437

Personnel Summary

Identification code 95-2700-0-1-503				
	1994 actual	1995 est.	1996 est.	
1001	Total compensable workyears: Full-time equivalent employment	6	7	7

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Program and Financing (in thousands of dollars)

Identification code 95-2701-0-1-503				
	1994 actual	1995 est.	1996 est.	
Program by activities:				
10.00	Total obligations			
Financing:				
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Total obligations			
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	42	39	
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance	-39		
77.00	Adjustments in expired accounts		-39	
90.00	Outlays	3		

Public Law 100-382 authorized a White House conference on library and information services, which was held in July 1991. The conference developed recommendations for the further improvement of the library and information services of the Nation and their use by the public.

Trust Funds

CONTRIBUTIONS

Program and Financing (in thousands of dollars)

Identification code 95-9971-0-7-503				
	1994 actual	1995 est.	1996 est.	
Program by activities:				
10.00	Total obligations (object class 25.2)	1		
Financing:				
21.40	Unobligated balance available, start of year: Treasury balance	-1		
24.40	Unobligated balance available, end of year: Treasury balance			
60.05	Budget authority (appropriation) (indefinite)	1		
Relation of obligations to outlays:				
71.00	Total obligations	1		
90.00	Outlays	1		

This account records contributions to the National Commission on Library and Information Science.

NATIONAL COMMISSION ON MIGRANT EDUCATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 95-0600-0-1-501				
	1994 actual	1995 est.	1996 est.	
Financing:				
17.00	Recovery of prior year obligations	-1		
21.40	Unobligated balance available, start of year: Treasury balance	-151	-152	
24.40	Unobligated balance available, end of year: Treasury balance	152		
25.00	Unobligated balance expiring		152	
39.00	Budget authority			
Relation of obligations to outlays:				
71.00	Total obligations			
72.40	Obligated balance, start of year: Unpaid obligations:			
	Treasury balance	1		
74.40	Obligated balance, end of year: Unpaid obligations:			
	Treasury balance			
78.00	Adjustments in unexpired accounts	-1		
90.00	Outlays			

The National Commission on Migrant Education was a temporary commission created to study issues relating to the education of migrant children and adults. The Commission reported its findings and recommendations to Congress in September 1992.

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Divider Title: _____

NATIONAL COMMISSION ON RESPONSIBILITIES FOR FINANCING POSTSECONDARY EDUCATION

DESCRIPTION: The Commission completed its work with the publication of its final report, Making College Affordable Again, in February 1993.

FY 1996 BUDGET PROPOSAL: Proposed FY 96 budget authority is \$ 0,. FTE is 0.

AGENCY PROPOSAL: N/A

DECISION: N/A

ADVISORY GROUP RECOMMENDATION: N/A

RATIONALE:

OMB informs that this Commission issued its final report February 1993. No clean-up legislation required.

STEERING COMMITTEE RECOMMENDATION

NATIONAL COMMISSION ON RESPONSIBILITIES FOR FINANCING POSTSECONDARY EDUCATION

Federal Funds

General and special funds:

NATIONAL COMMISSION ON RESPONSIBILITIES FOR FINANCING POSTSECONDARY EDUCATION

Program and Financing (in thousands of dollars)

Identification code 48-0400-0-1-502	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations			
Financing:			
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations			
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	19	12	
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-12		
90.00 Outlays	7	12	

The National Commission on Responsibilities for Financing Postsecondary Education completed its work with the publication of its final report, *Making College Affordable Again*, in February 1993.

NATIONAL COMMISSION ON SEVERELY DISTRESSED PUBLIC HOUSING

Federal Funds

General and special funds:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-0020-0-1-604	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	4		
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	-232	-228	
24.40 Unobligated balance available, end of year: Treasury balance	228		
25.00 Unobligated balance expiring		228	
39.00 Budget authority			
Relation of obligations to outlays:			
71.00 Total obligations	4		
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	24	24	
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-24		
90.00 Outlays	4	24	

The Commission was charged with identifying public housing developments in a severe state of distress, assessing the most promising strategies to improve the condition of these projects, and developing a national action plan to eliminate, by the year 2000, unfit living conditions in those public housing developments determined by the Commission to be severely distressed. The Commission's final report was presented to the President and the Congress in August 1992. The Commission terminated on September 30, 1992.

NATIONAL COUNCIL ON DISABILITY

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, [\$1,793,000] \$1,830,000. (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1995.)

Program and Financing (in thousands of dollars)

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
Program by activities:			
10.00 Total obligations	1,537	1,793	1,830
Financing:			
25.00 Unobligated balance expiring	153		
40.00 Budget authority (appropriation)	1,690	1,793	1,830
Relation of obligations to outlays:			
71.00 Total obligations	1,537	1,793	1,830
72.40 Obligated balance, start of year: Unpaid obligations:			
Treasury balance	390	513	179
74.40 Obligated balance, end of year: Unpaid obligations:			
Treasury balance	-513	-179	-183
77.00 Adjustments in expired accounts	-15		
90.00 Outlays	1,399	2,127	1,826

The National Council on Disability is composed of 15 members appointed by the President and confirmed by the Senate. Established under the Rehabilitation Act of 1973, as amended, the Council is responsible for reviewing laws, programs, and policies of the Federal Government affecting disabled individuals. The Council also makes recommendations on issues affecting people with disabilities to the President, the Congress, the Rehabilitation Services Administration Commissioner, the National Institute on Disability and Rehabilitation Research Director, and other Federal Departments and agencies, as may be appropriate.

Object Classification (in thousands of dollars)

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
Personnel compensation:			
11.1 Full-time permanent	366	512	503
11.3 Other than full-time permanent	126	155	156
11.5 Other personnel compensation	12	30	6
11.9 Total personnel compensation	504	697	665
12.1 Civilian personnel benefits	71	130	130
21.0 Travel and transportation of persons	120	125	170
23.1 Rental payments to GSA	102	120	130
23.3 Communications, utilities, and miscellaneous charges	45	100	90
24.0 Printing and reproduction	23	18	45
25.2 Other services	542	525	504
25.3 Purchases of goods and services from Government accounts	46	43	43
26.0 Supplies and materials	36	25	27
31.0 Equipment	48	10	26
99.9 Total obligations	1,537	1,793	1,830

Personnel Summary

Identification code 95-3500-0-1-506	1994 actual	1995 est.	1996 est.
1001 Total compensable workyears: Full-time equivalent employment	7	11	11