



**Executive Office of the President
Office of Management & Budget**

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Re:

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Developing an Ability to Track Discrimination in Key Sectors of Society

Summary

In the FY 2000 Budget, we have funded a three-part plan created by Kathy Wallman and Becky Blank to develop measures of discrimination. These three parts are: 1) an NAS conference to focus attention on measurement issues (\$500K); 2) continuation of a HUD program that uses paired testers to test for housing discrimination (\$7.5M); 3) Funding modest experimentation by DOL, HHS, Education and Justice to measure discrimination. We would propose to require each of the four agencies to fund \$500K each in FY 2000.

Background

This proposal builds on the work by the President's Initiative on Race and is designed to document and further our understanding of the role of discrimination in U.S. society. There is nearly universal agreement, even among those who disagree strongly about such policies as affirmative action, that equal opportunity to participate as a full and functioning member of American society is vitally important. Evidence of racial and ethnic discrimination – exclusion based primarily on race or ethnicity – suggests that equal opportunity has not yet been fully achieved; such evidence can be important in motivating policy design, implementation and enforcement.

Unfortunately, the presence or absence of discrimination is not something we can easily deduce simply by looking at existing data. Observed differentials by race and ethnicity by themselves may or may not signal discrimination. For instance, lower average wage levels for one group may result from lower education levels, providing no evidence of labor market discrimination due to race or ethnicity, *per se*. To deduce whether and how much of a statistical differential is due to discrimination requires a *methodology* that allows separation of discriminatory behavior from other differences that should validly affect outcomes. Such analysis is typically difficult; there are strengths and weaknesses associated with all commonly-used methodologies to deduce the presence of discrimination. This area has received too little attention in recent years and can benefit from a sustained commitment by the government to improve and extend the measurement and tracking of discrimination.

The three tiers of this proposal would do the following:

Tier 1: Initiate a coordinated research agenda, designed to expand and improve our current statistical ability to measure and track discrimination in key sectors of U.S. society.

Tier 2: Provide a fund available to agencies to begin immediately tracking discrimination where they believe there are credible methodologies already available.

Tier 3: Provide additional funding to HUD to expand their current system of tracking housing discrimination through housing audit studies.

As a starting point, five key areas will be considered for funding:

- Labor markets and employment relationships;
- The educational system;
- Housing markets and access to credit;
- The criminal justice system; and
- Health services and treatment.

Tier 1: Creating a Coordinated Research Agenda to Improve the Measuring and Tracking of Discrimination

Step 1: The development of a Workplan.

The National Research Council (NRC) sponsored a major two-day Conference on Racial Trends in the U.S. in mid-October, at the behest of the PIR and funded by 16 Federal agencies. This event provides an excellent opportunity to use the information garnered to jumpstart a process in which the NRC works jointly with key federal agencies to develop a Workplan for a coordinated research agenda on the measurement and tracking of discrimination. The goal of the Workplan will be to expand existing knowledge on appropriate and credible ways to measure the presence of discrimination, and to support empirical studies that measure the scope of discrimination using new and existing techniques and data.

The NRC will create a Roundtable, including prominent academic scholars as well as key government agency representatives. The charge to the Roundtable will be to develop a research agenda and Workplan that government agencies can implement to carry out needed research in each of the five topical areas. It is likely that many of the Workplan specifics will be overseen and coordinated by the federal agencies, but the research may be performed by outside researchers under a contractual or grant mechanism. This first step should take no more than one year, and should start immediately to take advantage of the momentum gained by the recent Conference.

Step 2: Implementing the Workplan

Federal agencies would have 3-4 years to implement the research Workplan. This will almost surely involve setting up an oversight process within each agency to coordinate work on this project; assessing available data for its usefulness to this enterprise and, where appropriate, encouraging the assembly of new data; and commissioning research by outside scholars. The NRC should be encouraged to reconvene the Roundtable regularly while the Workplan is being implemented, so agencies can share their questions and their wisdom from this process.

Step 3: A Final Report

At the end of the process, each agency should be asked to produce a final report on the progress

made in this project. The NRC should be asked to convene a final conference at which agencies present what they have accomplished and discuss the changes that remain.

Costs and Timeline:

This entire project should take no more than five years.

In FY 2000: \$500,000 for Step 1. Over the entire project: \$2-3 million in each of the five topical areas should be made available to the agencies to implement the Workplan, with another \$500,000 to the NRC to oversee and coordinate the implementation process and to sponsor the final conference. This means a total budget appropriation of \$11 to \$16 million over a 4 to 5 year period.

Tier 2: Encouraging Agencies to Begin to Immediately Track Discrimination

While further work is mandatory to better understand how to appropriately measure discrimination in many sectors of society, there are a variety of areas where well-established research methodologies are already available. In these areas, agencies should be encouraged to immediately begin to more formally track and regularly report on measures of discrimination.

While HUD is well-launched on such an enterprise (see Tier 3), agencies covering the other four relevant topical areas (education, labor markets, health, and criminal justice) are not as far along on this process. Tier 2 proposes to establish a fund available to the agencies which oversee these four areas. This fund should be drawn upon to implement the regular collection and analysis of data to track discrimination in key sectors; and to design and publish regular reports on the findings. It is expected that this work will occur simultaneously with the research Workplan laid out in Tier 1, and the two will draw upon and reinforce each other.

Costs: In FY 2000: \$2 million dollars would launch this enterprise. Each of the four agencies be required to spend \$500K on these efforts in FY 2000. Over 4-5 years: Around \$6-8 million might be available to implement tracking and reporting systems by Labor, Education, HHS, and Justice.

Tier 3: Provide funding for HUD to expand their current tracking system of housing discrimination through housing audit studies.

HUD has already started a multi-year program to expand its ability to track discrimination in the housing market. A recent conference on their housing audit methodologies underscored the advantages of this technique for tracking discrimination in housing markets. HUD has already received \$7.5 million for this project in FY 1999 and has requested more funding for FY 2000 to test for discrimination in an initial set of 20 out of 60 metropolitan and rural markets. Since HUD is already engaged in this process, it can serve as a model and an advisor to other agencies as they launch their own projects.

Costs: In FY2000: HUD has requested an additional \$7.5 million.

Reporting Back from Tiers 2 and 3:

While Tier 1 expands our knowledge about how to credibly measure the presence of discrimination, Tiers 2 and 3 are designed to collect actual measures of discrimination and to disseminate the findings. Each agency should use some of its funds from Tiers 2 or 3 to design a regular report on discrimination, using the best available current measures. The final conference, scheduled at the end of the Workplan discussed in Tier 1, should include both a Report Card by the agencies on what they have found in their work on current measures of discrimination, as well as a discussion of new sources of data and new forms of data analysis that might have been developed as part of the Tier 1 work.

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S.1217

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000 (Placed on the Calendar in the Senate)

Equal Employment Opportunity Commission

salaries and expenses

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621-634), the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); non-monetary awards to private citizens; and not to exceed \$29,000,000 for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act of 1964, as amended, sections 6 and 14 of the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, \$279,000,000: *Provided*, That the Commission is authorized to make available for official reception and representation expenses not to exceed \$2,500 from available funds.

Federal Communications Commission

salaries and expenses

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901-02; not to exceed \$600,000 for land and structure; not to exceed \$500,000 for improvement and care of grounds and repair to buildings; not to exceed \$4,000 for official reception and representation expenses; purchase (not to exceed 16) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, \$232,805,000, of which not to exceed \$300,000 shall remain available until September 30, 2001, for research and policy studies: *Provided*, That \$185,754,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, as amended, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 2000 so as to result in a final fiscal year 2000 appropriation estimated at \$47,051,000: *Provided further*, That any offsetting collections received in excess of \$185,754,000 in fiscal year 2000 shall remain available until expended, but shall not be available for obligation until October 1, 2000.

Notwithstanding any other provision of law, the Federal Communications Commission is authorized to operate, maintain, and repair its headquarters building, and may negotiate with the lessor or place orders for alterations or building services.

Federal Maritime Commission

salaries and expenses

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-02, \$14,150,000: *Provided*, That not to exceed \$2,000 shall be available for official reception and representation expenses.

Federal Trade Commission

salaries and expenses

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed \$2,000 for official reception and representation expenses, \$114,059,000: *Provided*, That not to exceed \$300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended: *Provided further*, That, notwithstanding any other provision of law, not to exceed \$114,059,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 2000, so as to result in a final fiscal year 2000 appropriation from the General Fund estimated at not more than \$0, to remain available until expended: *Provided further*, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102-242, 105 Stat. 2282-2285).

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S.1217

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2000 (Placed on the Calendar in the Senate)

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

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

July 21, 1999
(Senate)

S. 1217 - DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2000

(Sponsors: Stevens (R), Alaska; Gregg (R), New Hampshire)

This Statement of Administration Policy provides the Administration's views on S. 1217, the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 2000, as reported by the Senate Committee. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates the Committee's efforts to accommodate some of the Administration's priorities within its 302(b) allocation. However, the inadequacy of the 302(b) allocation has forced the Committee to make choices that are simply unacceptable.

The President's FY 2000 Budget proposes levels of discretionary spending that meet important national needs while conforming to the Bipartisan Budget Agreement by making savings proposals in mandatory and other programs available to help finance vital spending needs. Congress has approved and the President has signed into law nearly \$29 billion of such offsets in appropriations legislation since 1995. The Administration appreciates the Committee's adoption of one such proposal, language clarifying the relationship of bankruptcy law with regard to spectrum licenses. This provision will also help to ensure the integrity of the spectrum auction process. The Administration urges the Congress to consider more of such proposals as the FY 2000 appropriations process moves forward.

The Committee bill does not include the resources necessary to support high priority programs at an acceptable level. The bill would jeopardize critical activities and initiatives in a number of areas, including: 21st Century Policing; Federal law enforcement; immigration; anti-drug activities; the Brady Handgun National Instant Check System; terrorism/cybercrime; tobacco litigation; the decennial census; economic development through the Economic Development Administration and the Small Business Administration; Lands Legacy; the Pacific Salmon Treaty; ensuring access to the judicial system; and, preventing and addressing discrimination.

The bill underfunds activities to improve the safety of U.S. employees abroad and support the ongoing conduct of effective diplomacy, and does not fully fund payments to international organizations necessary to ensure U.S. leadership in international affairs. The bill would result in further arrears and possible loss of vote in the U.N. and other organizations. In addition, the bill includes several objectionable language provisions regarding international and domestic programs.

If the bill were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.

Attachment

(Senate)

**S. 1217 - DEPARTMENTS OF COMMERCE, JUSTICE,
AND STATE, THE JUDICIARY, AND RELATED
AGENCIES APPROPRIATIONS BILL, FY 2000
(AS REPORTED BY THE SENATE APPROPRIATIONS
COMMITTEE)**

Department of Justice

- 21st Century Policing Initiative/Community Oriented Policing Services. The Administration strongly opposes the Committee's decision not to fund the 21st Century Policing Initiative, the logical successor to the highly effective Community Oriented Policing Services program. Congress should not terminate this highly effective program. We urge the restoration of funding for the 21st Century Policing Initiative, which will enable local police Departments to hire up to 50,000 additional community police officers, hire new community prosecutors, and expand community-based prevention efforts.
- Federal Law Enforcement. The Committee bill reduces the FBI (-\$97 million), the U.S. Attorneys (-\$77 million), and the Department's legal divisions (-\$20 million) below the levels needed to maintain current services. When combined with various requirements and earmarks in the bill, these funding levels would force substantial reductions in the number of FBI agents and Federal prosecutors, significantly reducing the Department's ability to investigate and prosecute violent crime, including the more than 160 Safe Streets Task Forces that target violent gangs, fugitives, and major theft groups. These reductions would threaten the progress that has been made in reducing violent crime in the United States. The Administration also opposes the provision that would limit U.S. Attorneys' new hires to two-year terms.
- Immigration. The FY 2000 mark for Immigration and Naturalization Service (INS) Salaries and Expenses, which is \$189 million below the level needed to maintain current services, would decimate current program activities. The bill directs that INS hire an additional 1,000 border patrol agents in FY 2000 but fails to provide the resources to support these additional agents. In fact, the bill includes a position ceiling that would cut overall INS staffing by over 1,400 positions. The bill does not provide sufficient funding to meet the mandatory detention requirements, including those detailed in the recently submitted budget amendment, and diverts examination fee revenues to fund appropriated activities, undermining the INS's ability to meet its naturalization backlog reduction targets.
- Anti-Drug Programs. The Administration opposes the Committee's proposal to reduce the requested funding for the Drug Enforcement Administration's (DEA) salaries and expenses by over \$60 million. This cut would severely affect DEA's drug law enforcement programs at home and abroad. In addition, the Committee has failed to fund the \$100 million Drug Intervention Program, which helps States and localities implement tough new systems to drug test, treat, and punish drug offenders. Finally, the Administration objects to the Committee's proposed \$10 million reduction to the request for the highly successful Drug Courts Program. Taken together, the Committee's actions would make it difficult, if not impossible, to achieve the drug reduction targets in the annual drug strategy and in the Office of National Drug Control Policy Reauthorization Act of 1998.

- Brady Handgun National Instant Check System. The Administration is concerned that the Committee bill does not fund the Brady Handgun National Instant Check System (NICS), either through the fee requested by the Administration or through new appropriations. The Administration urges the Committee to approve the requested fee or appropriate sufficient new funding, including \$2.3 million to bring NICS into compliance with the proposed retention period.
- Tobacco Litigation. The Administration is disappointed that the Committee has not provided directly the requested funds for tobacco litigation, which the Department plans to bring on behalf of the American people to recover money properly owed to the Treasury. Given that the States settled their claims against the tobacco industry for more than \$200 billion and that Federal health care costs substantially exceed those of the States, the \$20 million requested by the Administration is a small investment with enormous potential benefits.
- Civil Rights Enforcement. The Administration urges the Senate to fully fund the request for the Civil Rights Division. The President's requested level, \$82 million, would enable the Department to expand significantly its investigations and prosecutions of criminal civil cases (including hate crimes and police misconduct), fair housing and lending cases, and violations of the Americans with Disabilities Act.
- State Criminal Alien Assistance. The Administration is disappointed with the Committee's decision to reduce substantially funding for the State Criminal Alien Assistance program.
- Cybercrime. The Committee bill provides additional funds to the FBI for the fight against cybercrime through the reallocation of existing resources. However, given the significant number of instructions for the reallocation of FBI resources, including absorption of \$10 million for the National Infrastructure Protection Center (funded through the Counterterrorism Fund in FY 1999), it is unlikely that the Bureau would be able to implement the cybercrime program increases cited in the Senate Committee Report.
- Bureau of Prisons/Abortion. The Administration urges the Senate to strike language that would prohibit the Bureau of Prisons from funding abortions except in cases of rape or where the life of the mother is endangered. The Department of Justice believes that there is a great likelihood that this provision would be held unconstitutional.

Department of Commerce

- Decennial Census. On June 8, 1999, the President requested \$1.7 billion in additional funding for implementation of the decennial census. The Administration urges the Senate to provide this funding, which will support the increased activities made necessary by the January 25, 1999, U.S. Supreme Court ruling. The requested funds would be used primarily to address the additional workload associated with a non-sampling census for purposes of congressional apportionment, including additional staff, equipment, office space, and information technology needs. Although proceeding with a non-sampling census for purposes of congressional apportionment will increase costs substantially, doing so, unfortunately, will produce less accurate results than the sampling method proposed by the Census Bureau.

In addition, section 204 of the Senate bill should be updated, as proposed in the President's budget, to reference the 2000 census rather than the 1990 census.

- National Oceanic and Atmospheric Administration. The Administration is pleased that the Senate has included funding for the Pacific Coastal Salmon Recovery account.

However, it is important that funds be allocated in the amounts requested by the President for the affected West Coast tribes to enable them to participate in this initiative. We also urge provision of the full \$60 million needed to implement the 1999 Pacific Salmon Agreement, as requested in the Administration's recently submitted budget amendment. In addition, while we appreciate the manager's amendment that provided an additional \$10 million for Endangered Species Act (ESA) implementation, it is critical that the Senate fully fund increases to support NOAA's partnership efforts with the States under the ESA consultation process.

The Administration urges full funding of the President's Lands Legacy Initiative, specifically for the Coastal Zone Management Act, the National Marine Sanctuaries Program and coral reef protection. The Administration also urges that the Clean Water Action Plan be fully funded at \$22 million. In addition, we urge the Senate to fully fund the request for the Global Learning and Observations to Benefit the Environment (GLOBE) program. Finally, we request that the Senate include \$1 million for new education and outreach activities at Historically Black Colleges and Universities to create a pipeline of marine biology students at these institutions.

- Economic Development Administration. The Committee mark for the Economic Development Administration (EDA) is \$165 million below the request, a reduction over 40 percent from both the request and the FY 1999 enacted level. This funding level would mean a significant reduction in EDA's ability to create jobs and expand economic opportunity in hundreds of distressed communities around the country.
- Critical Infrastructure and Associated Programs. The Administration urges the Senate to fully fund the Department's critical infrastructure protection programs in the National Telecommunications and Information Administration and other bureaus. Consistent with the findings of the Cox Report and the "Six IG Study," we also seek full funding for modernization of the Bureau of Export Administration's export licensing system and its chemical weapons and high performance computer control responsibilities.
- Additional Concerns, Department of Commerce. The Administration appreciates the increased funding for the Public Telecommunications Facilities, Planning, and Construction Program but is concerned that the ability of public broadcasters to meet the Federally-mandated May 2003 deadline for the transition to digital broadcasting will be jeopardized without full funding in FY 2000 and the requested advance appropriations. We also urge full funding for the Information Infrastructure Grant program, which has a proven track record of extending the reach of innovative technology to underserved communities.

In addition, while the International Trade Administration (ITA) receives \$3 million more than the President's request in the Committee bill, the imposition of unrequested projects would actually result in a \$13 million reduction in existing ITA activities, including regional U.S. Export Assistance Centers. The Administration urges funding of the \$2 million request for the National Technical Information Service (NTIS) to facilitate successful long-term resolution of NTIS's financial problems in FY 2000. In addition, the Administration would oppose amendments that would delay or terminate the ongoing procurement of a long-term lease for the Patent and Trademark Office.

Legal Services Corporation

- The Administration urges the Senate to increase the mark for the Legal Services Corporation (LSC) from a freeze at the FY 1999 enacted level, \$300 million, to the requested level of \$340 million. Funding LSC at the requested level will help to ensure equal access to the judicial system.

International Affairs Programs

- Embassy Security. The Administration appreciates the Committee's provision of funding for enhanced embassy security operations. This funding is the most effective deterrent to immediate security threats. The Committee's mark for construction of new embassies in FY 2000, however, is inadequate to address the need for an accelerated construction program of new, secure facilities. To address this need, the Administration amended its budget request to seek \$300 million for such construction in FY 2000. Moreover, the Committee's mark does not address the President's request for advance appropriations necessary to support a multi-year capital improvement program. This multi-year construction program to protect all Americans serving abroad is a top priority of the President and his senior advisers. There is unanimity among security experts that a robust, multi-year program is a necessary component of a long-term solution to security threats. For this reason, the Administration also opposes the proposed rescission of balances in the Security and Maintenance of U.S. Missions account. Projected FY 2000 carry-forward balances primarily result from the timing of complex construction procurements and are fully subscribed for ongoing maintenance, capital, life-safety, and security projects.
- State Department Operations. The Administration is deeply concerned about the Committee's significant reductions to the request and unwarranted earmarks for Department of State accounts that fund diplomatic and consular activities. Reductions of eight percent to the request for ongoing diplomatic and consular operations would impair the ability of the Department to support American interests and provide services to the public by forcing worldwide reductions to personnel, operations including post closings, and investment that would undermine U.S. leadership in world affairs.
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- Other International Affairs Programs. The Administration strongly opposes the Committee's exclusion of funding for the National Endowment for Democracy, which administers important democracy-building programs around the globe. In addition, the Administration objects to the exclusion of funds for the Asia Foundation, which works to advance the mutual interests of the United States and the Asia Pacific region. Finally, the Administration opposes reductions to the President's request for international commissions. Such reductions would place a disproportionate burden on the budgets of these small agencies.

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- The Administration is disappointed that the Committee mark does not include funding for the Small Business Administration's (SBA's) new markets initiatives to invest in rural and urban areas -- \$96 million in total for New Markets Technical Assistance, 7(a) small loans, Business Linc, and the New Markets Venture Capital initiative. The Administration is very concerned about the \$13 million reduction from the request for SBA administrative expenses. These funds are necessary to provide the appropriate level of oversight for SBA's outstanding \$50 billion loan portfolio and its resource partners. We are also concerned that the Committee has not provided the \$233 million in contingent emergency funding requested for disaster loans. The requested funding would ensure that SBA can meet the needs of disaster victims in a timely manner.

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- The Administration urges the Senate to fully fund the request for the Equal

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Inspectors General

- The Administration strongly objects to the \$22 million reduction to the requests for the Inspectors General of the Departments of Justice, State, and Commerce. If adopted, the FY 2000 budgets for the Inspectors General would be \$11 million (13 percent) below the enacted level for FY 1999. These reductions would jeopardize careful oversight of Departmental programs, including such critical activities as the decennial census and the State Department's worldwide security upgrade program, and would seriously weaken the Departments' ability to conduct financial audits in compliance with Federal law.

U.S. Commission on Civil Rights

- The Administration urges the Senate to increase the mark for the U.S. Commission on Civil Rights (the Commission) from the FY 1999 level of \$8.9 million. Funding the Commission at the requested level of \$11 million would help ensure an informed public debate about critical civil rights issues that deserve national attention. The Administration also urges the Senate to remove language restricting the hiring of additional Senior Executive Service personnel.

Commission on Holocaust Assets

- The Administration is concerned about the exclusion of requested funding for the Presidential Advisory Commission on Holocaust Assets in the United States. Without FY 2000 funding from the Departments of State and Justice, the Commission will be unable to fulfill its important mandate to research and report on the collection and disposition of holocaust era assets in the United States.

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July __, 1999
(Senate Floor)

**S. 1217 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2000**

(Sponsors: Stevens (R), Alaska; Gregg (R), New Hampshire)

This Statement of Administration Policy provides the Administration's views on S. 1217, the Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill, FY 2000, as reported by the Senate Committee. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Administration appreciates the Committee's efforts to accommodate some of the Administration's priorities within its 302(b) allocation. However, the inadequacy of the 302(b) allocation has forced the Committee to make choices that are simply unacceptable.

The President's FY 2000 Budget proposes levels of discretionary spending that meet important national needs while conforming to the Bipartisan Budget Agreement by making savings proposals in mandatory and other programs available to help finance vital spending needs. Congress has approved and the President has signed into law nearly \$29 billion of such offsets in appropriations legislation since 1995. The Administration appreciates the Committee's adoption of one such proposal, language clarifying the relationship of bankruptcy law with regard to spectrum licenses. This provision will also help to ensure the integrity of the spectrum auction process. The Administration urges the Congress to consider more of such proposals as the FY 2000 appropriations process moves forward.

The Committee bill does not include the resources necessary to support high priority programs at an acceptable level. The bill would jeopardize critical activities and initiatives in a number of areas, including: 21st Century Policing; Federal law enforcement; immigration; anti-drug activities; the Brady Handgun National Instant Check System; terrorism/cybercrime; tobacco litigation; the decennial census; economic development through the Economic Development Administration and the Small Business Administration; environmental activities; ensuring access to the judicial system; and, preventing and addressing discrimination.

The bill underfunds activities to improve the safety of U.S. employees abroad and support the ongoing conduct of effective diplomacy, and does not fully fund payments to international organizations necessary to ensure U.S. leadership in international affairs. The bill would result in further arrears and possible loss of vote in the U.N. and other organizations. In addition, the bill includes several objectionable language provisions regarding international and domestic programs.

If the bill were presented to the President in its current form, the President's senior advisers would recommend that he veto the bill.

Attachment

**S. 1217 -- DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE
JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FY 2000**
(AS REPORTED BY THE SENATE APPROPRIATIONS COMMITTEE)

Department of Justice

- 21st Century Policing Initiative/Community Oriented Policing Services. The Administration strongly opposes the Committee's decision not to fund the 21st Century Policing Initiative, the logical successor to the highly effective Community Oriented Policing Services program. Congress should not terminate this highly effective program. We urge the restoration of funding for the 21st Century Policing Initiative, which will enable local police Departments to hire up to 50,000 additional community police officers, hire new community prosecutors, and expand community-based prevention efforts.
- Federal Law Enforcement. The Committee bill reduces the FBI (-\$97 million), the U.S. Attorneys (-\$77 million), and the Department's legal divisions (-\$20 million) below the levels needed to maintain current services. When combined with various requirements and earmarks in the bill, these funding levels would force substantial reductions in the number of FBI agents and Federal prosecutors, significantly reducing the Department's ability to investigate and prosecute violent crime, including the more than 160 Safe Streets Task Forces that target violent gangs, fugitives, and major theft groups. These reductions would threaten the progress that has been made in reducing violent crime in the United States. The Administration also opposes the provision that would limit U.S. Attorneys' new hires to two-year terms.
- Immigration. The FY 2000 mark for Immigration and Naturalization Service (INS) Salaries and Expenses, which is \$189 million below the level needed to maintain current services, would decimate current program activities. The bill directs that INS hire an additional 1,000 border patrol agents in FY 2000 but fails to provide the resources to support these additional agents. In fact, the bill includes a position ceiling that would cut overall INS staffing by over 1,400 positions. The bill does not provide sufficient funding to meet the mandatory detention requirements, including those detailed in the recently submitted budget amendment, and diverts examination fee revenues to fund appropriated activities, undermining the INS's ability to meet its naturalization backlog reduction targets.

- Anti-Drug Programs. The Administration opposes the Committee's proposal to reduce the requested funding for the Drug Enforcement Administration's (DEA) salaries and expenses by over \$60 million. This cut would severely affect DEA's drug law enforcement programs at home and abroad. In addition, the Committee has failed to fund the \$100 million Drug Intervention Program, which helps States and localities implement tough new systems to drug test, treat, and punish drug offenders. Finally, the Administration objects to the Committee's proposed \$10 million reduction to the request for the highly successful Drug Courts Program. Taken together, the Committee's actions would make it difficult, if not impossible, to achieve the drug reduction targets in the annual drug strategy and in the Office of National Drug Control Policy Reauthorization Act of 1998.
- Brady Handgun National Instant Check System. The Administration is concerned that the Committee bill does not fund the Brady Handgun National Instant Check System (NICS), either through the fee requested by the Administration or through new appropriations. The Administration urges the Committee to approve the requested fee or appropriate sufficient new funding, including \$2.3 million to bring NICS into compliance with the proposed retention period.
- Tobacco Litigation. The Administration is disappointed that the Committee has not provided directly the requested funds for tobacco litigation, which the Department plans to bring on behalf of the American people to recover money properly owed to the Treasury. Given that the States settled their claims against the tobacco industry for more than \$200 billion and that Federal health care costs substantially exceed those of the States, the \$20 million requested by the Administration is a small investment with enormous potential benefits.
- State Criminal Alien Assistance. The Administration is disappointed with the Committee's decision to reduce substantially funding for the State Criminal Alien Assistance program.
- Cybercrime. The Committee bill provides additional funds to the FBI for the fight against cybercrime through the reallocation of existing resources. However, given the significant number of instructions for the reallocation of FBI resources, including absorption of \$10 million for the National Infrastructure Protection Center (funded through the Counterterrorism Fund in FY 1999), it is unlikely that the Bureau would be able to implement the cybercrime program increases cited in the Senate Committee Report.
- Bureau of Prisons/Abortion. The Administration urges the Senate to strike language that would prohibit the Bureau of Prisons from funding abortions except in cases of rape or where the life of the mother is endangered. The Department of Justice believes that there is a great likelihood that this provision would be held unconstitutional.

Department of Commerce

- Decennial Census. On June 8, 1999, the President requested \$1.7 billion in additional funding for implementation of the decennial census. The Administration urges the Senate to provide this funding, which will support the increased activities made necessary by the January 25, 1999, U.S. Supreme Court ruling. The requested funds would be used primarily to address the additional workload associated with a non-sampling census for purposes of congressional apportionment, including additional staff, equipment, office space, and information technology needs. Although proceeding with a non-sampling census for purposes of congressional apportionment will increase costs substantially, doing so, unfortunately, will produce less accurate results than the sampling method proposed by the Census Bureau.

In addition, section 204 of the Senate bill should be updated, as proposed in the President's budget, to reference the 2000 census rather than the 1990 census.

- National Oceanic and Atmospheric Administration. The Administration is pleased that the Senate has included funding for the Pacific Coastal Salmon Recovery account. However, it is important that funds be allocated in the amounts requested by the President for the impacted West Coast tribes to enable them to participate in this initiative. We also urge provision of the full \$60 million needed to implement the 1999 Pacific Salmon Agreement, as requested in the Administration's recently submitted budget amendment. In addition, while we appreciate the manager's amendment that provided an additional \$10 million for Endangered Species Act (ESA) implementation, it is critical that the Senate fully fund increases to support NOAA's partnership efforts with the States under the ESA consultation process.

The Administration urges full funding of the President's Lands Legacy initiative, specifically for coral reef protection and for the Clean Water initiative (\$22 million). In addition, we urge the Senate to fully fund the request for the Global Learning and Observations to Benefit the Environment (GLOBE) program. Finally, we request that the Senate include \$1 million for new education and outreach activities at Historically Black Colleges and Universities to create a pipeline of marine biology students at these institutions.

- Economic Development Administration. The Committee mark for the Economic Development Administration (EDA) is \$165 million below the request, a reduction over 40 percent from both the request and the FY 1999 enacted level. This funding level would mean a significant reduction in EDA's ability to create jobs and expand economic opportunity in hundreds of distressed communities around the country.
- Critical Infrastructure and Associated Programs. The Administration urges the Senate to fully fund the Department's critical infrastructure protection programs in the National Telecommunications and Information Administration and other bureaus. Consistent with

the findings of the Cox Report and the "Six IG Study," we also seek full funding for modernization of the Bureau of Export Administration's export licensing system and its chemical weapons and high performance computer control responsibilities.

- Additional Concerns, Department of Commerce. The Administration appreciates the increased funding for the Public Telecommunications Facilities, Planning, and Construction Program but is concerned that the ability of public broadcasters to meet the Federally-mandated May 2003 deadline for the transition to digital broadcasting will be jeopardized without full funding in FY 2000 and the requested advance appropriations. We also urge full funding for the Information Infrastructure Grant program, which has a proven track record of extending the reach of innovative technology to underserved communities.

In addition, while the International Trade Administration (ITA) receives \$3 million more than the President's request in the Committee bill, the imposition of unrequested projects would actually result in a \$13 million reduction in existing ITA activities, including regional U.S. Export Assistance Centers. The Administration urges funding of the \$2 million request for the National Technical Information Service (NTIS) to facilitate successful long-term resolution of NTIS's financial problems in FY 2000.

Legal Services Corporation

- The Administration urges the Senate to increase the mark for the Legal Services Corporation (LSC) from a freeze at the FY 1999 enacted level, \$300 million, to the requested level of \$340 million. Funding LSC at the requested level will help to ensure equal access to the judicial system.

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