PRELIMINARY SCOR D

DEPARTMENT OF IG A URBAN DEVELOPMENT
FY 1997 VA/HUD APPROPRIATIO
(Budget Authority in $ Millions)

PROGRAM	1996 Enacted A	1997 Request B	1997 House 1/ C	1997 Senate D	1997 Enacted (P.L. 104-204) E	Difference Enacted vs Senate (E-D)	Difference Enacted vs House (E-C)	Difference Enacted vs Request (E-B)
Community Development Block Grants	$4,650	$4,930 2/	$4,582	$4,600	$4,600	...	$18	($330)
Economic Development Initiative	[50]	[100]	[...]	[...]	[...]	[...]	[...]	[(100)]
Section 108 Loan Guarantees	32	47	32	32	32	...	...	(15)
HOME	1,400	1,525 2/	1,394	1,400	1,400	...	6	(125)
Homeless Grants	823	1,120	820	823	823	...	3	(297)
HOPWA	171	196 2/	170	171	196 3/	$25	26	...
Public Housing Capital Fund	2,660	3,150 2/	2,689	2,700	2,700	...	11	(450)
Public Housing Modernization	[2,500]	[2,407]	[2,415]	[2,500]	[2,500]	[...]	[(85)]	[(93)]
Native American Housing	[160]	[200]	[200]	[200]	[200]	[...]	[...]	[...]
Other Set Asides 4/	[68]	[123] 2/	[85]	[50]	[70]	[20]	[(15)]	[(53)]
Public Housing Operating Subsidies	2,800	2,900	2,839	2,900	2,900	...	61	...
Public Housing Drug Elimination	290	340 2/	289	290	290	...	1	(50)
Incremental/Non-Incremental Rental Assistance	400	290	165	175	240 3/	65	75	(50)
Severely Distressed Public Housing (HOPE VI)	480	650	548	550	550	...	2	(100)
Indian Housing Loan Guarantee	3	3	3	3	3	...	...	...
Housing for Special Populations:	1,088	769	905	769	839	70	(66)	70
Elderly (Sec. 202)	[830]	[595]	[695]	[595]	[645]	[50]	[(50)]	[50]
Disabled (Sec. 811)	[258]	[174]	[214]	[174]	[194]	[20]	[(20)]	[20]
Lead Hazard Control 5/	65	60	[60]	[60]	[60]	[...]	[...]	[...]
Preservation	624	...	...	500	350	(150)	350	350
Property Disposition	192	...	...	...	...	...	...	...
FHA Multifamily Credit Subsidy (Appropriation)	85	160	85	95	95	...	10	(65)
Housing Counseling	[12]	[15]	[15]	[15]	[15]	[...]	[...]	[...]
Research and Technology	34	45	34	34	34	...	...	(11)
Fair Housing Activities	30	33	30	30	30	...	...	(3)
Salaries and Expenses, HUD (incl. Transfers)	963	988	915	977	977	...	62	(11)
Rescission/Recaptures	(198)	(34)	(34)	(94)	(169) 3/	(75)	(135)	(135)
All Other	130	37	63	64	84	20	21	47
SUBTOTAL DISCRETIONARY (listed programs)	$16,722	$17,209	$15,528	$16,019	$15,974	($45)	$446	($1,235)
Annual Contributions:								
Section 8 Contract Renewals	4,008	4,260	4,454	3,800	3,600	(200)	(854)	(660)
Section 8 Amendments	611	800	657	800	850	50	193	50
SUBTOTAL (including Annual Contributions)	$21,341	$22,269	$20,639	$20,619	$20,424	($195)	($216)	($1,845)
Offsetting Receipts + Administrative Provisions	(1,755)	(643)	(888)	(983)	(983)	...	(95)	(340)
TOTAL HUD (NET)	$19,586	$21,626	$19,751	$19,636	$19,441 6/	($195)	($311)	($2,185)

1/ House action includes a 0.4 percent across-the-board reduction.
2/ Reflects amendments to the FY 1997 Budget.
3/ The additional $50 mil. for Prevention of Resident Displacement and $25 mil. for HOPWA are to be derived from recaptures.
4/ In FY 1996, $68 mil. set asides provided within CDBG. FY 1997 House action includes $50 mil. for Supportive Services, $20 mil. Technical Assistance, $10 mil. Tenant Oportunity Program and $5 mil. Jobs-Plus the Capital Fund; the Supportive within CDBG. Conference includes mil. for Supportive Services, $5 mil. for TOP, and $5 mil. for the Moving to Work demo. A $10 mil. set-aside for technical assistance remains in the Housing Capital Fund.
5/ The and Senate proposed funding for Lead 1 3 Control (Lead-Based Paint) as a set-aside within C in FY 1997; LHC enacted lingly.
6/ Differs from CBO's total of $19.45 billion because of variance in calculating offsetting receipts.

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PRELIMINARY SCORING

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FISCAL YEAR 1997 VA/HUD APPROPRIATIONS

(Budget Authority in $ Millions)

	REQUEST	HOUSE 1/	SENATE	ENACTED (P.L. 104-204)	DIFFERENCE ENAC. VS. SEN.	ENAC. VS. HSE	ENAC. VS. REQ.
HOUSING PROGRAMS							
Development of Additional New Subsidized Housing	$969	$1,105	$969	$1,039	$70	($66)	$70
Elderly (Sec. 202)	[595]	[695]	[595]	[645]	[50]	[(50)]	[50]
Disabled (Sec. 811)	[174]	[214]	[174]	[194]	[20]	[(20)]	[20]
Indian Housing Development	[200]	[200]	[200]	[200]	[--]	[--]	[--]
Prevention of Resident Displacement	5,350	5,277	4,775	4,690 2/	(85)	(587)	(660)
Sec. 8 Contract Renewals 3/	[4,737]	[4,472]	[3,800]	[3,600]	[(200)]	[(854)]	[(1,137)]
Sec. 8 Amendments	[800]	[660]	[800]	[850]	[50]	[193]	[50]
Rescission of Recaptures	[(477)]	--	--	--	0	0	0
Housing Certificate Fund (Incremental/Non-Incremental) 4/	[290]	[166]	[175]	[240] 2/	[65]	[74]	[(50)]
Preserving Existing Housing Investment	5,850	5,329	5,900	5,750	(150)	421	(100)
Public Housing Operating Fund	[2,900]	[2,850]	[2,900]	[2,900]	[--]	[50]	[--]
Modernization	[2,407]	[2,415]	[2,500]	[2,500]	[--]	[85]	[93]
Other Set-Asides	[543]	[85]	[--]	[--]			
Preservation	--	--	[500]	[350]	[(150)]	[350]	[350]
Severely Distressed Public Housing Projects (HOPE VI)	650	548	550	550	0	2	(100)
Technical Assistance	[3]	[3]	[3]	[3]	[--]	[--]	[--]
Drug Elimination Grants for Low-Income Housing	340 5/	289	290	290	0	1	(50)
Operation Safe Home	[10]	[10]	[10]	[10]	[...]	[--]	[--]
Indian Housing Loan Guarantee Fund:							
Program Account	3	3	3	3	0	--	0
Limitation on Loan Guarantee Commitments	[37]	[37]	[37]	[37]	[--]	[--]	[--]
Homeownership and Oppor. for People Everywhere Grants (HOPE)	(30) 1/	--	...	--	--	--	30
Rental Housing Assistance Rescission/Recaptures	(34)	(34)	(94)	(169) 2/	(75)	(135)	(135)
Violent Crime Reduction Programs - Local Partnership Act	3	--	--	--	0	0	(3)
Total, Housing Programs	13,101	12,516	12,393	12,153	(240)	(363)	(948)
COMMUNITY PLANNING AND DEVELOPMENT							
Community Development Block Grants Fund	4,630 5/	4,582	4,600	4,600	0	18	(30)
Performance Bonus Funding	300	--	--	--	0	0	(300)
Indian Tribes	[69]	[61]	[69]	[67]	[(2)]	[6]	[(2)]
Housing Assistance Council	[--]	[2]	[2]	[2]	[--]	0	[2]
National American Indian Housing Council	[--]	[1]	[2]	[2]	[--]	0	[2]
Supportive Services	[83] 5/	[50]	[50]	[60]	[10]	[10]	[(23)]
Section 107 Grants	[46]	[49]	[49]	[49]	[--]	0	[3]
Management Information System	[18]	[14]	[14]	[14]	[--]	0	[(14)]
Insular Areas	[7]	[7]	[--]	[--]	[--]	0	0
Historically Black Colleges and Universities	[7]	[7]	[--]	[--]	[--]	0	0
Community Development Work Study	[5]	[4]	[--]	[--]	[--]	0	0
Community Outreach Partnership Program	[--]	[8]	[--]	[--]	[--]	0	0
Technical Assistance	[9]	[9]	[--]	[--]	[--]	0	0

PRELIMINARY SCORING

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FISCAL YEAR 1997 VA/HUD APPROPRIATIONS

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(Budget Authority in $ Millions)

	REQUEST	HOUSE 1/	SENATE	ENACTED (P.L. 104–204)	DIFFERENCE ENAC. VS. SEN.	DIFFERENCE ENAC. VS. HSE	DIFFERENCE ENAC. VS. REQ.
COMMUNITY PLANNING AND DEVELOPMENT (con't)							
Youthbuild	[40]	[20]	[40]	[30]	[(10)]	[10]	[(10)]
Economic Development Initiative Grants	[100]	[40]	[--]	[--]	[--]	[(40)]	[(100)]
Underserved Areas	[30] 5/	[--]	[--]	[--]	[--]	[--]	[(30)]
Subtotal, Community Development Block Grants Fund	4,930	4,582	4,600	4,600	0	18	(330)
Community Development (Sec. 108) Loan Guarantees:							
Program Account	47	32	32	32	0	0	(15)
Loan Guarantee Limitation	[2,000]	[1,500]	[1,500]	[1,500]	[--]	[--]	[(500)]
HOME Investment Partnerships Program	1,415	1,394	1,400	1,400	0	6	(15)
Performance Bonus Funding	110 5/	--	--	--	0	0	(110)
Housing Counseling Assistance	[15]	[15]	[15]	[15]	0	0	0
Indian Grants	[21]	[21]	[21]	[21]	0	0	0
Insular Areas	[3]	[--]	[--]	[--]	0	0	0
Technical Assistance, University Programs Mgmt. Info. Systems 6/	[43]	[7]	[7]	[7]	0	0	[(36)]
Subtotal, HOME fund	1,525	1,394	1,400	1,400	0	6	(125)
Homeless Assistance Funds	1,010	820	823	823	0	3	(187)
Performance Bonus Funding	110	--	--	--	0	0	(110)
Subtotal, Homeless Assistance Fund	1,120	820	823	823	0	3	(297)
Housing Opportunities for Persons with AIDS (HOPWA)	196 5/	170	171	196 2/	25	26	0
Total, Community Planning and Development	7,818	6,998	7,026	7,051	25	53	(767)
FEDERAL HOUSING ADMINISTRATION							
FHA Funds							
Mutual Mortgage Ins. and Coop. Management Housing Ins. Funds							
Administrative Expenses	351	341	351	371	20	30	20
Mortgage Insurance Limitation	[110,000]	[110,000]	[110,000]	[110,000]	[--]	[--]	[--]
Direct Loan Limitation	[200]	[200]	[200]	[200]	[--]	[--]	[--]
General Insurance and Special Risk Insurance Funds							
Administrative Expenses	207	201	207	207	0	6	--
Credit Subsidy	160	85	95	95	0	10	(65)
Mortgage Insurance Limitation	[17,400]	[17,400]	[17,400]	[17,400]	[--]	[--]	[--]
Direct Loan Limitation	[120]	[120]	[120]	[120]	[--]	[--]	[--]
Subtotal, FHA Funds	718	626	653	673	20	47	(45)

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PRELIMINARY SCORING

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FISCAL YEAR 1997 VA/HUD APPROPRIATIONS

DRAFT

(Budget Authority in $ Millions)

	REQUEST	HOUSE 1/	SENATE	ENACTED (P.L. 104-204)	DIFFERENCE ENAC. VS. SEN.	DIFFERENCE ENAC. VS. HSE	DIFFERENCE ENAC. VS. REQ.
					0	0	0
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION							
Guarantees of Mortgage-Backed Securities: Program Account	9	9	9	9	0	--	--
MBS Guarantee Limitation	[110,000]	[110,000]	[110,000]	[110,000]	[--]	[--]	[--]
POLICY DEVELOPMENT AND RESEARCH							
Research and Technology	45	34	34	34	0	--	(11)
OFF. OF LEAD HAZARD CONTROL							
Lead Hazard Control 7/	60	[60]	[60]	[60]	--	--	--
FAIR HOUSING & EQUAL OPPORTUNITY							
Fair Housing Assistance Program	15	15	15	15	0	0	0
Fair Housing Initiatives Program	18	15	15	15	0	0	(3)
Total, Fair Housing Activities	33	30	30	30	0	0	(3)
MANAGEMENT AND ADMINISTRATION							
Salaries and Expenses, HUD	431	375	420	420	0	45	(11)
Transfers (FHA/GNMA/CPD)	[557]	[540]	[557]	[557]	[--]	[17]	[--]
Subtotal, Salaries and Expenses, HUD	[988]	[915]	[977]	[977]	[--]	[62]	[(11)]
Salaries and Expenses, OIG	37	36	37	37	0	--	(0)
Transfers (FHA/PIH)	[16]	[16]	[16]	[16]	[--]	[--]	[--]
Office of Federal Housing Oversight	16	15	16	16	0	1	0
Total, Management and Administration	484	426	473	473	0	46	(11)
Total, HUD Discretionary Budget Authority (Gross)	22,268	20,639	20,618	20,423	(195)	(217)	(1,846)
Deductions for Offsetting Receipts	(643)	(888)	(983)	(983)	0	(95)	(340)
Total, HUD Discretionary Budget Authority (Net)	$21,625	$19,751	$19,635	$19,440 8/	($195)	($312)	($2,186)

FOOTNOTES:

1/ House Action includes a 0.4 percent across-the-board reduction.
2/ The additional $50 mil. for Prevention of Resident Displacement and $25 mil. for HOPWA are to be derived from recaptures.
3/ FY 1997 request reflects a one-time funding for 15 months to convert renewals from a fiscal-year to a calendar-year basis.
4/ The House would limit Sec. 8 rental assistance to non-incremental purposes such as replacement, litigation, and relocating residents eligible for
assistance under preservation and property disposition. Units in FY 1997 are funded for one year.
5/ Reflects amendments to the FY 1997 Budget.
6/ Only Management Information Systems is funded at $7 mil. The House and Senate bills and reports do not provide clear guidance on funding for set asides.
7/ HUD requested funding for Lead Hazard Control (Lead-Based Paint) within Annual Contributions in 1997; the House and Senate set aside funding within CDBG. LHC was enacted as a set-aside within CDBG.
8/ Differs from CBO's total of $19.45 billion because of variance in calculating offsetting receipts.

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October 5, 1996

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Key Provisions of the
FY 1997 VA/HUD Appropriations Act,
P.L. 104-204

PUBLIC & ASSISTED HOUSING

Public and Native American Housing

The Act provides needed capital and operating funds to support the sound operation of over one million public housing units. Public Housing Operating Subsidies were funded at the requested $2.9 billion. Congress provided $2.5 billion for public housing modernization and $200 million for the development of Native American housing. The requested $290 million was appropriated for Drug Elimination Grants (DEG) to assist public and assisted housing agencies in reducing crime and drug activity in their developments. Within DEG, $5 million would support the Inspector General's Operation Safe Home program.

The Congress provided $550 million, $100 million less than requested, for the Revitalization of Severely Distressed Public Housing (HOPE VI) and for tenant-based assistance to allow relocation from and replacement of obsolete public housing. While strong Congressional support for HOPE VI continues, this lower funding level will limit the Department's efforts to demolish the worst public housing, to revitalize sites, and to relocate affected tenants.

Assisted Housing

The FY 1997 VA/HUD Appropriations Act sends a clear signal about Congressional intent to reduce excess subsidies in expiring Section 8 contracts. Expiring contracts for projects that are FHA-insured and whose rents are over 120 percent of fair market rent (FMR) must be renewed at 120 percent of FMR unless the owner elects to participate in the Multifamily Portfolio Reengineering demonstration (see below). Projects whose primary source of financing was provided by a public agency (e.g., a state housing finance agency) must be renewed at current rents. Projects that are under Sections 202 or 811 programs or Farmers Home Administration's Section 515 program must be renewed at current rents.

The Act also expands to 50,000 units in FY 1997 a Multifamily Portfolio Reengineering demonstration program that allows HUD to continue to test different approaches to restructuring the FHA-insured, Section 8-subsidized portfolio. All units that have Section 8 contracts expiring in FY 1997 and that are FHA-insured and that have rents near 120 percent of FMR can be included in the demonstration at the owner's option. Projects whose Section 8 contracts are expiring in future years may also be selected by HUD for participation. Generally, projects in the demonstration will have their Section 8 rents reduced to market and their FHA-insured debt written down to a level that can be supported by market-based rents.

Congress also provides $350 million for a continuation of the Preservation program: $175 million for sales to resident organizations and resident-endorsed nonprofit purchasers; up to $100 million for tenant protections in those projects where owners elect to prepay their mortgages; and $75 million for projects with previously signed litigation or settlement-related agreements and projects previously delayed by disasters or rent issues. Tenant protections will allow existing very low and low income residents and moderate-income residents who are elderly, disabled, or live in low vacancy areas to remain in their apartments if the buildings mortgages are prepaid.

Housing for Special Populations

Sec. 811 FY96 258 our request 174

The Congress appropriated $839 million, $70 million more than requested, for the development of project-based housing for the elderly ($645 million) and persons with disabilities ($194 million). Up to 25 percent of the disability funding can be used for five-year, tenant-based certificates.

Section 8 Certificates and Vouchers

For the third year in a row, Congress failed to provide the Department with new incremental certificates to address families currently on waiting lists. Congress provided $190 million, $100 million less than requested, for Section 8 certificates. Uses are limited to tenant protection, witness relocations, section 23 conversions, and family unification. In addition, $50 million was earmarked for housing certificates and vouchers for nonelderly people with disabilities affected by plans to designate buildings solely for elderly or disabled households.

Section 8 Renewals and Amendments

The Congress appropriated $3.6 billion for renewal of Section 8 contracts and $850 million for Section 8 contract amendments. The funding level for renewals will allow the Department to maintain current contracts through FY 1997.

Extensions of Program Authorities

The appropriators continued most of the provisions enacted in the FY 1996 Appropriations Act to reform public and assisted housing. These include:

-- suspending the public housing one-for-one replacement housing requirement that has impeded the demolition of obsolete projects;
-- allowing public housing rent reforms to make work pay, including ceiling rents and disregards of earned income for calculating rents;
-- suspending Federal preferences that had concentrated admissions on the most destitute households with substantial supportive service needs;
-- streamlining Section 8 tenant-based authorities (suspending "take one, take all," certain notice requirements, and endless lease provisions that had discouraged landlord participation);
-- allowing public housing in private mixed-finance developments that also have market-rate units; and
-- reducing fair market rents from 45th to 40th percentile.

The Act also allows the use of public housing development and modernization funds for any public housing activities, including replacement housing, and, for up to 10 percent of the funds, operating costs. It also extends the transfer of Section 236 excess receipts to the Flexible Subsidy fund and FHA assignment reforms.

FEDERAL HOUSING ADMINISTRATION

Congress enacted several provisions that improve FHA's ability to offer single family insurance. The Act allows a child, parent, or grandparent to provide downpayment assistance to a family member who wishes to purchase a home through FHA. Direct endorsement mortgage lenders may issue single family FHA mortgages, thus reducing paperwork and processing time. A one-year demonstration program in Alaska and Hawaii allows FHA to use a simplified downpayment formula. Congress also enacted a statutory provision that mirrors the Department's administrative actions to reduce the upfront premium from 2.25 percent to 2 percent for first-time homebuyers who complete homeownership counseling.

COMMUNITY PLANNING & DEVELOPMENT

Community Development Block Grants and HOME programs were funded at $4.6 billion and $1.4 billion, respectively. These programs are critical to the Department's principles for community revitalization and community-based planning. Section 108 Loan Guarantees were continued at the FY 1996 level of $32 million, supporting approximately $1.5 billion in loan activity. The Congress failed, however, to fund the Economic Development Initiative, a critical program that provides communities flexible grants tied to Section 108 loans.

Within CDBG, Congress earmarked funds for a variety of activities: $20 million for public and assisted housing developments to use to improve security and expedite the investigation and prosecution of drug-related criminal activity in and near their developments; $50 million for supportive services for public and assisted housing residents; $5 million for the Tenant Opportunity Program; $5 million for the Moving to Work Demonstration; $30 million for Youthbuild; and $60 million for the Lead-based Paint Abatement program. Within HOME, $15 million was earmarked for Housing Counseling.

Congress provided $823 million for Homeless Assistance, the same level as last year. This lower funding level -- almost $300 million less than requested -- will limit HUD's ability to continue to partner with communities in developing and implementing comprehensive strategies to help homeless people move to self-sufficiency.

The Congress fully funded the Administration's request for Housing Opportunities for Persons with AIDS at $196 million, an increase of $25 million from last year.

The Act provides up to $20 million for Homeownership Zones. These funds will help communities reclaim abandoned land and stimulate business creation and private investment by building large tracts of new homes in inner cities.

FAIR HOUSING & EQUAL OPPORTUNITY

The Act fully funds the Fair Housing Assistance Program at $15 million and provides another $15 million for the Fair Housing Initiatives Program, $3 million less than requested. The Act opens participation in the program but prohibits participants from using funds for lobbying activities.

MANAGEMENT & ADMINISTRATION

The Act provides $977 million for HUD's salaries and expenses. Of that amount, $15 million will be available for additional retraining, relocation, and reinvention-related activities upon submission of a detailed downsizing plan to Congress from the Department. Buyout authority for the Department was dropped in conference; however, the Omnibus Appropriations Act of 1997 includes buyout authority for all Executive branch agencies.

PRELIMINARY SCORING

Prosbudget 2. HB

27-Jun-96
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Congress pulled out set-asides

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
DISCRETIONARY BUDGET AUTHORITY, FY 1996-FY 1997

(Dollars in Millions)

PROGRAM	1996 Enacted A	1997 Request B	1997 House Subcomm. C	1997 House Committee D	1997 House Floor E	Difference: Floor vs. Cttee (E-D)	Difference: Floor vs. Request (E-B)	Difference: Floor vs. vs 96 (E-A)
Community Development Block Grants	$4,600	$4,900 1/	$4,145	$4,300	$4,582	$282	($318)	($18)
Economic Development Initiative 2/	[50]	[100]	[40]	[40]	[...]	[(40)]	[(100)]	[(50)]
Section 108 Loan Guarantees	32	47	32	32	32	...	(15)	...
HOME	1,400	1,550 1/	1,382	1,400	1,394	(6)	(156)	(6)
Homeless Grants	823	1,120 1/	812	823	820	(3)	(300)	(3)
HOPWA	171	171	169	171	170	(1)	(1)	(1)
Public Housing Modernization	2,500	3,000 1/	2,383	2,415	2.5 2,405 *	(10)	(595)	(95)
Public Housing Operating Subsidies	2,800	2,900	2,763	2,850	2,839	(11)	(61)	39
Public Housing Drug Elimination 3/	290	290	286	290	289	(1)	(1)	(1)
Incremental Rental Assistance 4/	400	290	164	166	165	(1)	(125)	(235)
[Incremental Units Funded] 5/	*[35,398]*	*[30,000]*						
HOPE VI/VII (Severely Distressed)	480	650	474	550	548	(2)	(102)	68
Native American Housing	160	200	197	200	199	(1)	(1)	39
Indian Housing Loan Guarantee	3	3	3	3	3	...	...	...
Housing for the Elderly and Disabled:	[1,088]	[769]	[759]	[769]	[905]	[136]	[136]	[(183)]
Elderly	830	595	587	595	692	97	97	(138)
Disabled	258	174	172	174	213	39	39	(45)
Lead-Based Paint Abatement	65	60	[60] 6/	[60]	[60]	[...]	...	(5)
Preservation	624	... 7/	...	...	...	...	...	(624)
Property Disposition	192	... 7/	...	...	...	...	...	(192)
FHA Multifamily Credit Subsidy (Appropriation)	85 8/	85	84	85	85	...	...	...
Housing Counseling 9/	[12]	[15]	[15]	[15]	[15]	[...]	[...]	[3]
Research and Technology	34	45	34	34	34	...	(11)	...
Fair Housing Activities	30	33	30	30	30	...	(3)	...
Salaries and Expenses, HUD (incl. Transfers)	963	988	950	963	915	(48)	(73)	(48)
Other Assisted Housing Rescission	(198)	...	...	...	...	...	...	198
All Other 10/	130	139	144	144	143	(1)	4	13
SUBTOTAL DISCRETIONARY (listed programs)	**$16,672**	**$17,240**	**$14,811**	**$15,225**	**$15,558**	**$333**	**($1,682)**	**($1,114)**
Annual Contributions:								
Section 8 Contract Renewals 11/	4,008	4,260	5,128	4,572	4,454	(118)	194	446
Section 8 Amendments	611	800	789	800	657	(143)	(143)	46
SUBTOTAL (Including Annual Contributions)	**$21,291**	**$22,300**	**$20,729**	**$20,597**	**$20,670**	**$73**	**($1,630)**	**($621)**
Offsetting Receipts + Administrative Provisions	(1,755) 12/	(643)	(885) 13/	(890) 13/	(888) 13/	2	(245)	867
TOTAL HUD (NET)	**$19,536**	**$21,657**	**$19,844**	**$19,707**	**$19,782**	**$75**	**($1,875)**	**$246**

19,875

FOOTNOTES:

1/ Includes budget authority for Bonus Funds.
2/ FY 1997 funding available within CDBG Economic Development Challenge Grant.
3/ Includes $2.5 million in FY 1996 and proposes $10 million in FY 1997 for Operation Safe Home.
4/ In FY 1996, Sec. 8 Rental Assistance could not be used for incremental purposes but is limited to replacement and other uses.
5/ FY 1996 units are funded for two-year terms and FY 1997 units for a one-year term.
6/ The House proposed funding for Lead-Based Paint as a set-aside within CDBG in 1997.
7/ No funding is proposed for Preservation or Property Disposition in FY 1997. Affected tenants can be provided assistance from Incremental units.
8/ Excludes reappropriation of expired balances of approximately $16 million.
9/ Provided as a set-aside within the Community Development Grant program in FY 1996 and within HOME in 1997.
10/ Reflects funding for Violent Crime Reduction, OFHEO, Inspector General, additional FHA discretionary funding, and other items.
11/ In FY 1996, two-year terms are assumed for tenant-based and one-year terms for project based renewals. FY 1997 reflects a one-time funding for 15 months to convert renewals from a fiscal-year basis to a calendar-year basis.
12/ Represents HUD/OMB scoring. Includes receipts from single-family assignment savings in 1996. Does not include negative subsidy from mortgage sales in 1996.
13/ Represents CBO scoring.

NOTE: Detail may not add to totals because of rounding.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FY 1997 VA/HUD APPROPRIATIONS
(Budget Authority in $ Millions)

PROGRAM	1996	1997				Difference			
	Enacted A	Request B	House 1/ C	Senate Subcttee D	Senate Committee E	Sen Cite vs Subc. (E-D)	Sen Cite vs Hse (E-C)	Sen Cite vs Request (E-B)	Sen Cite vs 96 (E-A)
Community Development Block Grants	$4,600	$4,930 2/	$4,582	$4,600	$4,600	...	$18	($330)	...
Economic Development Initiative	[50]	[100]	[...]	[...]	[...]	[...]	[...]	[(100)]	[($50)]
Section 108 Loan Guarantees	32	47	32	32	32	...	...	(15)	...
HOME	1,400	1,525 2/	1,394	1,400	1,400	...	6	(125)	...
Homeless Grants	823	1,120	820	823	823	...	3	(297)	...
HOPWA	171	196 2/	170	171	171	...	1	(25)	...
Public Housing Capital Fund	2,660	3,150 2/	2,689	2,700	2,700	...	11	(450)	40
Public Housing Modernization	[2,500]	[2,407]	[2,415]	[2,500]	[2,500]	[...]	[85]	[93]	[...]
Native American Housing	[160]	[200]	[200]	[200]	[200]	[...]	[...]	[...]	[40]
Other Set Asides 3/	[68]	[123] 2/	[85]	[50]	[50]	[...]	[(35)]	[(73)]	[(18)]
Public Housing Operating Subsidies	2,800	2,900	2,839	2,900	2,900	...	61	...	100
Public Housing Drug Elimination 4/	290	340 2/	289	290	290	...	1	(50)	...
Incremental/Non-Incremental Rental Assistance 5/	400	290	165	180	180	...	15	(110)	(220)
Severely Distressed Public Housing (HOPE VI)	480	650	548	550	550	...	2	(100)	70
Indian Housing Loan Guarantee	3	3	3	3	3	...	...	...	...
Housing for Special Populations:	1,088	769	905	769	769	...	(136)	...	(319)
Elderly (Sec. 202)	[830]	[595]	[695]	[595]	[595]	[...]	[(100)]	[...]	[(235)]
Disabled (Sec. 811)	[258]	[174]	[214]	[174]	[174]	[...]	[(40)]	[...]	[(84)]
Lead-Based Paint Abatement 6/	65	60	[60]	[60]	[60]	[...]	[...]	[...]	(5)
Preservation	624	...	...	350	350	...	350	350	(274)
Property Disposition	192	...	...	...	...	...	...	...	(192)
FHA Multifamily Credit Subsidy (Appropriation)	85	160	85	85	85	...	...	(75)	...
Housing Counseling 7/	[12]	[15]	[15]	[15]	[15]	[...]	[...]	[...]	[3]
Research and Technology	34	45	34	34	34	...	...	(11)	...
Fair Housing Activities	30	33	30	30	30	...	...	(3)	...
Salaries and Expenses, HUD (incl. Transfers)	963	988	915	977	977	...	62	(11)	14
Other Assisted Housing Rescission	(198)	...	...	...	...	...	...	...	198
All Other 8/	130	37	62	64	64	...	2	27	(66)
SUBTOTAL DISCRETIONARY (listed programs)	$16,672	$17,243	$15,561	$15,957	$15,957	...	$396	($1,286)	($715)
Annual Contributions:									
Section 8 Contract Renewals 9/	4,008	4,260	4,454	3,800	3,795	($5)	(659)	(465)	(213)
Section 8 Amendments	611	800	657	800	800	...	143	...	189
SUBTOTAL (Including Annual Contributions)	$21,291	$22,303	$20,673	$20,557	$20,552	($5)	($120)	($1,751)	($739)
Offsetting Receipts + Administrative Provisions	(1,755) 10/	(643)	(888)	(889)	(889)	...	(1)	(246)	866
TOTAL HUD (NET)	$19,536	$21,660	$19,785	$19,668	$19,663	($5)	($121)	($1,997)	$127

FO OTES:

1/ Ho n includes a 0.4% across-the-board reduction. This reduction is reflected in the account t final bill language is available.

2/ Reflects amendments to the FY 1997 Budget.

3/ In FY 1996, $68 mil. set asides provided within Community Development Block Grants. FY 1997 House action includes $50 mil. for Supportive Services, $20 mil. Technical Assistance, $10 mil. Tenant Opportunity Program, and $5 mil. Jobs-Plus Demonstration within the Capital Fund; the Senate funds Supportive Services within CDBG.

4/ Includes $2.5 mil. in FY 1996 and $10 mil. in FY 1997 for Operation Safe Home.

5/ The House would limit Sec. 8 rental assistance to non-incremental purposes such as replacement, litigation, and relocating residents eligible for assistance under preservation and property disposition. Units in FY 1996 are funded for two-year terms and FY 1997 for one year.

6/ The House and Senate propose funding for Lead-Based Paint as a set-aside within CDBG in FY 1997.

7/ Provided as a set-aside within the Community Development Grant program in FY 1996 and within HOME in FY 1997.

8/ Reflects funding for Violent Crime Reduction, OFHEO, Inspector General, additional FHA discretionary funding and other items.

9/ In FY 1996, two-year terms are assumed for tenant-based and one-year terms for project-based renewals. FY 1997 request reflects a one-time funding for 15 months to convert renewals from a fiscal-year to a calendar-year basis.

10/ Includes receipts from single-family assignment savings in FY 1996.

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NHC Washington Wire
The United Voice for Housing
A weekly bulletin on housing policy and legislation published exclusively for members of the National Housing Conference, 815 Fifteenth Street, N.W., Suite 711, Washington D.C. 20005. Phone: 202/393-5772; fax: 202/393-5656; e-mail: nhc@nhc.org

September 30, 1996

PRESIDENT SIGNS VA, HUD FUNDING BILL AS CONGRESS RUSHES TOWARD ADJOURNMENT

Final approval of the FY 1997 HUD funding bill, H.R. 3666, was delivered by overwhelming margins...The vote in the House was 388-25 in favor of the bill, and the Senate agreed to it unanimously...President Clinton signed H.R. 3666 into law on September 26...Overall, the bill provides $84.8 billion in budget authority, $19.5 billion of that earmarked for HUD...A complex restructuring of the budget accounts for public and privately owned assisted housing make it difficult to compare specific program allocations with past years, but it appears that nearly the same amount of overall revenue is being provided...Notable exceptions are Section 8, where only $3.6 billion appears to be available for renewals, driven in large part by moving to one year assistance contracts...HOME, CDBG and homeless assistance will be funded at FY 1996 levels, while preservation (*i.e.*, LIHPRHA funding) will only receive $350 million in additional appropriations...As previously reported, H.R. 3666 includes language providing for contract extensions of up to one year for FHA-insured Section 8 projects with contracts expiring in FY 1997 -- whose rent levels are at or below 120% of area fair market rents...Projects with expiring contracts and higher rents are generally put into a portfolio restructuring demonstration program, but will receive subsidies at current levels or, if feasible, budget-based levels until underlying mortgages are restructured...Under H.R. 3666, non-FHA insured bond-financed assisted housing projects, or project-based Section 202, 811 or 515 projects, with expiring contracts during FY 1997, will receive extensions at current rents.

OMNIBUS SPENDING BILL CLEARED FOR PRESIDENT

In one of its last acts before adjournment, the House and Senate cleared and sent to President Clinton an omnibus appropriations bill funding several departments and agencies whose regular annual funding bills failed to make it through the entire legislative process...Before sending the bill to the President, Congress was expected to insert language imposing a special assessment on thrift institutions so that the Savings Association Insurance Fund would reach the level of solvency required by the 1989 savings and loan bill.

EFFECT OF NOVEMBER ELECTION TO BE FOCUS OF NHC FALL POLICY CONFERENCE

The November 5th election could have a wide-ranging impact on the major housing and community development issues facing the United States...The future of privately-owned assisted housing, federal tax policy, the amount of available funds and the level of flexibility state and local governments may have in addressing America's unmet housing needs may be determined by who is elected in November and who controls Congress in January...On November 7-8, at the Regal Biltmore Hotel in downtown Los Angeles, NHC's Fall Policy Conference will be devoted to these issues...If you have not yet registered, it is not too late...Call 202/393-5772 for details.

This is the last issue of NHC's Washington Wire *for 1996. Publication will resume in January, after the 105th Congress is sworn in. In the meantime, we want your feedback. Please send any comments concerning this publication, or about any of the subjects we cover, via regular mail, via fax at 202/393-5656, or electronically (our e-mail address is nhc@nhc.org). In addition, watch for the next issue of our quarterly publication,* NHC News, *which should be in your mailbox shortly.*

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

August 1, 1996
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3666 – DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997

(Sponsors: Hatfield (R), Oregon; Bond (R), Missouri)

This Statement of Administration Policy provides the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the Senate Appropriations Committee. The Administration strongly opposes reductions from the President's request contained in the Committee bill for vital environmental, housing, community development, science, and space programs.

The Administration has previously communicated its strong objection to the overall, inadequate discretionary funding levels assumed in the House- and Senate-passed Budget Resolutions. The Senate Committee bill has made a number of significant improvements compared to the House-passed bill, especially in providing funds for the Corporation for National and Community Service, Mission to Planet Earth, the Council on Environmental Quality, and other important programs. However, the Committee bill would still reduce discretionary budget authority by $2.8 billion from the President's request, including reductions to programs for the environment, veterans, National Service, housing, Community Development Financial Institutions, NASA, and the National Science Foundation.

Corporation for National and Community Service

The Administration appreciates the level of funding in the Committee bill for the Corporation for National and Community Service, a highly successful Administration initiative. However, the Administration urges the Senate to provide funding at the requested level of $546 million, $144 million more than the Committee bill would provide. Without the additional funding, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps to address vital local needs such as health care, crime prevention, and education, while earning a monetary award to help pay for college or other post-secondary education or training. In addition, almost 135,000 school-age youth would lose the opportunity to serve their communities through the Learn and Serve program.

Environmental Protection Agency (EPA)

The Administration appreciates the Committee's efforts to keep the bill free of the contentious legislative riders that were included in last year's bill. However, the Administration strongly objects to the Committee's overall $428 million, or 6.1-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities and impair the Agency's ability to protect human health and the environment adequately.

In particular, the Administration is gravely concerned about the Committee's $400 million, or 11.8-percent, reduction in EPA's vital operating program that could undermine Agency efforts to set pollution standards and enforce environmental laws. The most troubling reductions in the operating program are to the Environmental Technology Initiative (ETI) and the Climate Change Action Plan. The 86-percent reduction in ETI would cripple EPA's efforts to spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs. The $58 million reduction to the Climate Change Action Plan would seriously hamper U.S. progress toward achieving the goal of reducing greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Senate to restore funding for these two critical programs.

In addition, the Administration urges the Senate to restore funding to: complete the needed construction of the consolidated research lab that was begun with funding in last year's bill; implement the innovative GLOBE program; fully fund the STAR academic fellowships program; and, fully fund the U.S. contribution to the Montreal Protocol facilitation fund to help prevent depletion of the ozone layer.

Finally, the Senate is strongly urged to restore $100 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill the long-term, bipartisan Federal commitment to Boston due to the city's special needs and high user charges.

Department of Veterans Affairs (VA)

The Administration is pleased with the funding levels provided in the Committee bill for most VA programs and with the adoption of the budget amendment for Compensation and Pensions and Readjustment Benefits. However, the Administration regrets the Committee's change in direction from the House-passed bill with respect to Major Construction and General Operating Expenses. In particular, the Administration is disappointed that the Committee bill would drop the House provision for a replacement hospital at Travis Air Force Base in California; would not provide funding for the Administration's request for a new hospital in Brevard County, Florida; and would fund less urgent projects instead of the Administration's hospital improvement proposals that were adopted in the House-passed bill. The Administration urges the Senate to restore the cuts in administrative and other expenses.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. The Committee would once again reduce HUD program levels, after adjusting for one-time savings.

The Administration appreciates the Committee's adoption of Administration priorities, including welfare-to-work certificates; funding for Youthbuild and HUD Salaries and Expenses; and, the Committee's inclusion of an FY 1996 supplemental that would extend the Government National Mortgage Association's (GNMA's) commitments on loan guarantees. However, the Committee would still: provide no funding for the Economic Development Initiative program, which leverages private investment to create and retain jobs in distressed communities; reduce critical funding to States and communities for Homeless Assistance by $297 million; cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million; and, reduce by almost half the President's request for multi-family credit subsidy, leaving HUD unable to insure as many multi-family mortgages.

The Committee would also strike House language permitting minimum rents "up to $25" per month for public and assisted housing residents. The Senate would, instead, require a minimum of $25 to $50 rent per month, imposing significant hardships for the poorest families.

In addition, if Congress fails to provide comprehensive authority for necessary restructuring of FHA multi-family properties and to address the massive over-subsidization of section 8 contracts, the funding provided in the Committee bill for rental assistance contract renewals would be short of the request in FY 1997.

The Administration urges the Senate to include buyout authority in the bill, which is necessary for HUD to achieve its reinvention goals. The Administration would also appreciate the Senate's consideration of several HUD-related budget amendments that were sent to Congress on July 10th, particularly the amendment related to Housing Opportunities for Persons with AIDS (HOPWA). The HOPWA program is the core of the federal housing response for people living with HIV/AIDS, a disproportionate number of whom are either homeless or in imminent danger of losing their homes. ?

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Senate to fund the Community Development Financial Institutions Fund at the requested level of $125 million. In response to the initial competition, the CDFI program received applications from 270 financial institutions for nearly 10 times the amount of funds available. The Committee's decision to reduce the $125 million request by $80 million would reduce the Fund's ability to leverage additional private sector investments, loans, and financial services in the country's most distressed communities.

Secretary Rubin has announced the selection of 31 community development organizations to receive $35.5 million in financial and technical assistance from the CDFI Fund. These funds will be leveraged with significant private funds and are expected to result in over $350 million of lending and investing in distressed urban and rural communities in 46 States and the District of Columbia.

National Aeronautics and Space Administration (NASA)

The Administration appreciates the overall funding levels contained in the Committee bill for NASA and is pleased that the Committee did not target reductions to the Mission to Planet Earth program as was done in the House-passed bill. However, the Administration urges the Senate to provide the up-front funding requested for the New Millennium Initiative and for the Tracking and Data Relay Satellite Replenishment program.

The Administration would oppose any amendment that may be offered that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 space station-related jobs located in Florida, Texas, California and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe and Japan on this important, cooperative effort.

The Administration supports the use of buyouts of up to $25,000 to increase voluntary turnover -- whether by retirement or resignation -- for NASA and other agencies.

National Science Foundation (NSF)

The Administration appreciates the Committee's increases over the House-passed bill for NSF. However, the bill would still cut the President's request for NSF by $50 million. The Administration urges the Senate to restore requested funding that supports critical basic research and education activities at our Nation's universities.

Other Concerns

The Administration understands that an amendment may be offered to waive the application of the Davis-Bacon Act for repair and construction projects related to the Oklahoma City bombing. Federal agencies have been working closely with Oklahoma City to help the community rebuild in the aftermath of last year's tragedy. To help accelerate the economic recovery, the Departments of Labor and Housing and Urban Development have already taken a number of actions to facilitate the city's ability to meet Davis-Bacon requirements and expedite the process for issuing Davis-Bacon wage decisions. The Administration is also proposing additional efforts, including reviewing CDBG work requirements, providing pre-bid and pre-construction training/workshops and additional technical assistance. The Departments of Labor and Housing and Urban Development can continue to help accelerate the economic recovery of Oklahoma City within the existing framework of the law without having to waive Davis-Bacon requirements. For this reason, the Administration opposes a waiver of the Davis-Bacon requirements.

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

August 1, 1996
(Senate Floor)

STATEMENT OF ADMINISTRATION POLICY

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In addition, the Administration urges the Senate to restore funding to: complete the needed construction of the consolidated research lab that was begun with funding in last year's bill; implement the innovative GLOBE program; fully fund the STAR academic fellowships program; and, fully fund the U.S. contribution to the Montreal Protocol facilitation fund to help prevent depletion of the ozone layer.

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The Committee would also strike House language permitting minimum rents "up to $25" per month for public and assisted housing residents. The Senate would, instead, require a minimum of $25 to $50 rent per month, imposing significant hardships for the poorest families.

In addition, if Congress fails to provide comprehensive authority for necessary restructuring of FHA multi-family properties and to address the massive over-subsidization of section 8 contracts, the funding provided in the Committee bill for rental assistance contract renewals would be short of the request in FY 1997.

The Administration urges the Senate to include buyout authority in the bill, which is necessary for HUD to achieve its reinvention goals. The Administration would also appreciate the Senate's consideration of several HUD-related budget amendments that were sent to Congress on July 10th, particularly the amendment related to Housing Opportunities for Persons with AIDS (HOPWA). The HOPWA program is the core of the federal housing response for people living with HIV/AIDS, a disproportionate number of whom are either homeless or in imminent danger of losing their homes.

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Secretary Rubin has announced the selection of 31 community development organizations to receive $35.5 million in financial and technical assistance from the CDFI Fund. These funds will be leveraged with significant private funds and are expected to result in over $350 million of lending and investing in distressed urban and rural communities in 46 States and the District of Columbia.

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The Administration would oppose any amendment that may be offered that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 space station-related jobs located in Florida, Texas, California and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe and Japan on this important, cooperative effort.

The Administration supports the use of buyouts of up to $25,000 to increase voluntary turnover -- whether by retirement or resignation -- for NASA and other agencies.

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

Pending
7/3/96
10:30 ~~pm~~ am

S markup on Wed

The Honorable Mark O. Hatfield
Chairman
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as passed by the House. As the Senate develops its version of the bill, your consideration of the Administration's views would be appreciated.

The President has indicated that he would veto any bill that does not provide adequate funds for the AmeriCorps National Service program. Therefore, the President would veto H.R. 3666 as passed by the House. In addition, the Administration strongly opposes reductions from the request contained in the House-passed bill for vital environmental, housing, community development, science, and space programs.

Corporation for National and Community Service

The Administration strongly opposes the House's decision to eliminate funding for the Corporation for National and Community Service, one of the Administration's highest priorities. The Administration urges the Senate to provide funding at the requested level of $546 million. Without the requested funding, approximately 30,000 young people would not have the opportunity to serve their communities through AmeriCorps to address vital local needs such as health care, crime prevention, and education, while earning a monetary award to help pay for college or other post-secondary education or training. In addition, almost 850,000 school-age youth would lose the opportunity to serve their communities through the Learn and Serve program.

Environmental Protection Agency (EPA)

The Administration would urge the Senate to follow the House's lead in keeping the bill free of the numerous legislative riders that were included in last year's bill. The Administration is also concerned about the House's overall $485 million, or 6.9-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the Senate to restore the $102 million, or 18.5-percent, reduction to the request for the Drinking Water State Revolving Fund contained in the House-passed bill. This cut would impair implementation of the Safe Drinking Water reauthorization bill now pending and would contradict the bipartisan consensus that drinking water protection should be strengthened.

The Senate is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill a bipartisan Federal commitment to Boston because of the city's special needs and high user charges.

The Administration is deeply concerned about the House's $347 million, or 10-percent, reduction in EPA's vital Operating Programs. Key among these reductions are the elimination of funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs and cuts that would hinder EPA's ability to enforce environmental laws adequately, taking environmental cops off the beat.

The House's targeted reductions to international programs, the Environmental Technology Initiative (which would be eliminated), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. The House-passed bill would also seriously reduce funding for climate change activities and eliminate funding for the innovative GLOBE program.

The House has indicated that it will provide additional funding for Superfund -- but only through a future appropriation, and only in the event that Congress reauthorizes Superfund. The Senate sponsor of the authorization bill has indicated that the chances of passage are low. Thus, this purported "contingency fund" amounts to nothing more than a promise to appropriate money in the future. The Administration continues to oppose strongly the intended use of such additional funding to let polluters off the hook. Polluters should pay for cleanups, as they do under the current Superfund program. Taxpayers should not.

Department of Veterans Affairs (VA)

The Administration is pleased that the House restored funding for VA medical care, benefits processing, and a new national cemetery in the Dallas/Fort Worth, Texas, area, and eliminated the restrictions on travel and staffing in the Office of the Secretary. Unfortunately, the House did not provide funding for the hospital the that President requested to serve veterans in the Brevard County, Florida, area.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the House would once again reduce HUD program levels (after adjusting for one-time savings). The Administration is strongly opposed to the further reductions in funding levels for the Department.

While the Administration appreciates the House amendments that increase certain programs, the House-passed bill would still: for the third year in a row, provide virtually no new incremental rental certificates for households in dire need; institute a three-month delay in reissuing housing certificates to families most in need; reduce critical funding to States and communities for Homeless Assistance Grants by $300 million; and, cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Senate to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications for nearly 10 times the amount of funds available. The House's decision to reduce the request by $80 million would reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The House-passed bill would cut the President's request for NASA by $1.2 billion. The Administration urges the Senate to restore requested funding for the Mission to Planet Earth program, the up-front funding for the New Millennium Initiative, and the Tracking and Data Relay Satellite Replenishment program.

The Administration strongly objects to House Committee Report language that would direct the elimination of funding for NASA's and EPA's contributions to the Global Learning and Observation to Benefit the Environment (GLOBE) program. GLOBE teaches young students how to make climate-related measurements and share this information with other students, teachers, and scientists over the Internet. These reductions would seriously impact thousands of teachers and students in 2,500 U.S. schools and in 35 other countries who have invested their resources, time, and energy in this valuable program. Both NASA and EPA believe that the GLOBE program provides low-cost and scientifically valuable data.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

The Administration opposes the 0.4 percent across-the-board reduction in the House-passed bill. Additional Administration concerns with the House-passed bill are provided in the enclosure. We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Jacob J. Lew
Acting Director

Enclosure

Identical Letters Sent to Honorable Mark O. Hatfield, Honorable Robert C. Byrd, Honorable Christopher S. Bond, and Honorable Barbara Mikulski

Enclosure
(Senate Subcommittee)

ADDITIONAL CONCERNS
H.R. 3666 -- DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997
(AS PASSED BY THE HOUSE)

The Administration looks forward to working with the Congress to address the following concerns:

Council on Environmental Quality (CEQ)

- The Administration appreciates the increase provided by the House for CEQ but urges support for the full request for this key agency with responsibilities for coordinating policy and advising the President. Even at the President's requested level, funding and personnel levels for CEQ would remain below that of the previous Administration.

Department of Housing and Urban Development (HUD)

- Departmental Administration. The Administration strongly urges restoration of the seven-percent reduction from the President's request in necessary funds to administer the Department's programs. Cutting these funds would severely inhibit HUD's effort to improve internal controls and other ADP data systems, and to implement its reinvention.

- Objectionable Provisions. The Administration notes that the House did not include an extension of the various continuing resolution and appropriations authorizing provisions that were jointly agreed upon and passed for one year (e.g., repeal of the one-for-one replacement requirement for demolished public housing). These provisions are viewed by both the Congress and the Administration as necessary to reform the Nation's housing policies and should be extended.

- Additional Concerns. The Administration objects to the inadequate funding provided for FHA multi-family loans and the reduction in resources for the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO provides crucial taxpayer protection through its financial supervision of Fannie Mae and Freddie Mac.

Environmental Protection Agency

- Water Infrastructure. The Administration urges the Senate to restore the $102 million reduction to the request for the Drinking Water State Revolving Fund contained in the House-passed bill. This funding is needed to help establish this new program with sufficient funding to help municipalities meet Safe Drinking Water Act requirements and prevent problems such as the cryptosporidium outbreak in Milwaukee that killed 100 people.

- Global Climate and Climate Change Action Plan. The Administration is concerned that the House would continue the trend of significantly reducing the resources available for the agency's Global Climate and Climate Change Action Plan programs. The $20 million reduction to these programs would seriously jeopardize the ability of the U.S. to reduce greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Senate to restore the $20 million for these programs.

- Environmental Commitments and Priorities Abroad. The House's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. These reductions would compromise the Nation's health, public safety, global competitiveness and national security. Through elimination of all ETI funds, EPA would no longer be able to operate U.S. Technology International Environmental Solutions (U.S. TIES), which matches priority environmental problems overseas with U.S. suppliers of proven and cost-effective environmental technologies and services. The reduced level of funding available for environmental activities associated with NAFTA and other international programs would mean the failure of the U.S. to uphold major commitments on critical international environmental problems such as lead, pesticides, and radioactive waste reduction.

National Science Foundation (NSF)

- The House-passed bill would cut the President's request for NSF by $85 million. The Administration urges the Senate to restore requested funding for research and educational activities sponsored by the agency as well as the agency's administrative operations.

Community Development Financial Institutions (CDFI)

- The House-passed bill would provide $1 million to the Community Development Credit Union (CDCU) Revolving Loan Fund, which is administered by the National Credit Union Administration (NCUA). The Administration strongly recommends that these funds be channeled to

CDCUs through the Community Development Financial Institutions (CDFI) Fund, which provides financial assistance on a competitive basis to all community development financial institutions, including low-income, community development credit unions, rather than through the NCUA Revolving Loan Fund.

Health and Human Services: Office of Consumer Affairs (OCA)

- The House-passed bill would terminate the Office of Consumer Affairs. The Administration opposes the termination of OCA, which represents consumer needs and viewpoints across the Federal Government by coordinating Federal consumer policy and providing information to consumers through a help-line and a consumer's handbook.

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

June 25, 1996
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 3666 – DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997

(Sponsors: Livingston (R), Louisiana; Lewis (R), California)

This Statement of Administration Policy provides the Administration's views on H.R. 3666, the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the House Appropriations Committee. For the reasons discussed below, the Administration strongly opposes the legislation in its current form.

The Administration has previously communicated its strong objection to the overall inadequate discretionary funding level assumed in the House- and Senate-passed Budget Resolutions. While the Administration appreciates the Committee's efforts in removing the 1.322 percent across-the-board cut, the Committee bill would still reduce discretionary budget authority by $2.9 billion (four percent) from the President's request. Funding is reduced for the environment, veterans, National Service, housing, Community Development Financial Institutions, NASA, and NSF.

Environmental Protection Agency (EPA)

The Administration appreciates the Committee's efforts in keeping the bill free of the numerous legislative riders that were included in last year's bill but continues to have concerns about report language that would restrict EPA's ability to perform its mission. The Administration is also concerned about the Committee's overall $479 million, or 6.8-percent, reduction to the President's request for EPA. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the House to restore the $100 million, or 18-percent, reduction to the request for the Drinking Water State Revolving Fund contained in the Committee bill. This cut would impair implementation of the Safe Drinking Water reauthorization bill now pending and would contradict the bipartisan consensus that drinking water protection should be strengthened.

The House is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This funding request continues to fulfill a bipartisan Federal commitment to Boston because of the city's special needs and high user charges.

The Administration is deeply concerned about the $335 million, or 10-percent, reduction in EPA's vital Operating Programs. Key among these reductions are the elimination of funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs and cuts which would hinder EPA's ability to enforce environmental laws adequately, taking environmental cops off the beat.

In addition, the Committee would prevent expansion of the Toxic Release Inventory (TRI) to include data on toxic use that is needed to determine exposure risks and give the public information about which the communities have a right to know. The reduction to TRI is particularly objectionable because the Committee uses a funding reduction in an attempt to accomplish what was included in one of last year's discredited legislative riders.

The Committee's targeted reductions to international programs, the Environmental Technology Initiative (which would be eliminated), and to programs associated with NAFTA, would be harmful to the Administration's environmental commitments and priorities abroad. The bill would also seriously reduce funding for climate change activities and eliminate funding for the innovative GLOBE program.

The Administration appreciates the Committee's restoration of Justice Department authority to fund its Superfund enforcement efforts. But it remains concerned about how, and to what extent, the cleanups are funded. The Committee reduced funding for Superfund by $55 million, which will reduce the number of cleanups.

The Committee indicated that it will provide additional funding -- but only through a future appropriation, and only in the event that Congress reauthorizes Superfund. The Senate sponsor of the authorization bill has indicated that the chances of passage are low. Thus, this purported "contingency fund" amounts to nothing more than a promise to appropriate money in the future. The Administration continues to strongly oppose the intended use of such additional funding. Polluters should pay for cleanups, as they do under the current Superfund program. Taxpayers should not.

Department of Veterans Affairs (VA)

The Administration is pleased that the Committee has restored funding for VA medical care, VA home loans, and funding for a new cemetery in Dallas/Fort Worth, Texas. However, funding for the Veterans Benefits Administration and other administrative support would still be $20 million below the request. These reductions could cause delays in the processing of disability, educational, survivor's, and other veterans benefits. The Committee bill would also provide no funding for a new hospital that is needed to improve services to veterans in the Brevard County, Florida, area.

Finally, the Committee has retained objectionable language that would limit the travel and personnel expenses of the Office of the Secretary. This restriction would prevent the Centers for Women and Minority Veterans from being able to perform their functions as mandated by Congress and undermine the Secretary's ability to manage and lead the second largest department in the government.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the Committee would once again reduce HUD program levels (after adjusting for one-time savings). The Administration is strongly opposed to the further reductions in funding levels for the Department.

While the Administration appreciates the Committee amendments that increase certain programs, the Committee bill would still: provide virtually no new incremental rental certificates for households in dire need for the third year in a row; institute a three-month delay in reissuing housing certificates to families most in need; reduce critical funding to States and communities for economic development through the Community Development Block Grant program and Homeless Assistance Grants by almost $500 million; and, cut funding for the demolition of the worst public housing projects -- a successful effort with bipartisan support -- by $100 million.

Corporation for National and Community Service

The Administration is strongly opposed to the 34-percent reduction to the President's request for the Corporation for National and Community Service, one of the Administration's highest priorities. At the level included in the Committee bill, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps and earn an education award to help pay for college or other post-secondary education. In addition, almost 50,000 school-age youth would lose the opportunity to learn about service in their communities through the Learn and Serve program.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the House to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications nearly 10 times the amount of funds available. The

Committee's decision to reduce the request by $80 million would reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Committee bill would cut the President's request for NASA by $1.1 billion. In particular, the Administration is concerned that the bill would cut the Mission to Planet Earth program by over $200 million and would provide no up-front funding for the New Millennium Initiative and the Tracking and Data Relay Satellite Replenishment program.

The Administration strongly objects to report language that would direct the elimination of funding for NASA's and EPA's contributions to the Global Learning and Observation to Benefit the Environment (GLOBE) program. GLOBE teaches young students how to make climate-related measurements and share this information with other students, teachers, and scientists over the Internet. These reductions would seriously impact thousands of teachers and students in 2,500 U.S. schools and in 35 other countries who have invested their resources, time, and energy in this valuable program. Both NASA and EPA believe that the GLOBE program provides low cost and scientifically valuable data.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

Council on Environmental Quality (CEQ)

The Administration appreciates the increase provided for CEQ but urges support for the full request for this key agency with responsibilities for coordinating policy and advising the President. Even at the President's requested level, funding and personnel levels for CEQ would remain below that of the previous Administration.

In addition to the concerns discussed above, the Administration has additional concerns with the bill that were detailed in a June 13th letter to the House Appropriations Committee.

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

THE DIRECTOR

June 13, 1996

The Honorable Bob Livingston
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Veterans Affairs, Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1997, as reported by the Subcommittee. For the reasons discussed below, the Administration strongly opposes the legislation in its current form. Your consideration of the Administration's views would be appreciated.

The Administration has previously communicated its strong objection to the overall inadequate discretionary funding level assumed in the House- and Senate-passed Budget Resolutions. The Subcommittee bill would reduce discretionary budget authority by $4.3 billion (6.4 percent) from the President's request.

Environmental Protection Agency (EPA)

The Administration appreciates the Subcommittee's efforts in removing the numerous legislative riders that were included in last year's bill. However, the Administration is gravely concerned about the Subcommittee's overall $565 million, or eight-percent, reduction to the President's request. This reduction would significantly reduce key activities to protect drinking water, enforce environmental laws, and promote air and water pollution control efforts.

The Administration urges the Committee to restore the $100 million, or 18 percent, reduction to the request for the Drinking Water State Revolving Fund contained in the Subcommittee bill. In addition, the Administration is deeply concerned about the $375 million reduction in EPA's vital Operating Programs. This reduction would eliminate funding that would spur development of new technologies to protect public health, reduce pollution control costs, and create new jobs. These cuts would hinder EPA's ability to enforce environmental laws adequately, taking the environmental cop off the beat. The bill would prevent expansion of the Toxic Release Inventory (TRI) to include data on toxic use that is needed to determine exposure risks and give the public information they have a right to know. The reduction to TRI is particularly objectionable because it would attempt to accomplish what one of last year's discredited legislative riders failed to achieve. The Subcommittee's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. Finally, the bill would seriously reduce funding for climate change activities.

The Committee is urged to restore $50 million to help improve the water quality in Boston Harbor and reduce the number of beach closings. This continues to fulfill a bi-partisan Federal commitment to Boston because of the special needs and high user charges. The Administration is also concerned about the Subcommittee's proposed $55 million reduction to Superfund. In particular, the Administration strongly opposes the elimination of the $30.9 million reimbursement to the Justice Department for its Superfund enforcement efforts, which have been funded from the EPA budget since 1981. Elimination of this funding would debilitate the entire Superfund enforcement program by preventing Superfund enforcement litigation, vital to fulfilling the polluter-pays principle, and would adversely affect the deficit by blocking further cost recovery actions. This program returned $250 million to the Treasury in FY 1995.

Department of Veterans Affairs (VA)

The Subcommittee would provide only $18.6 billion for veterans' programs, a level $350 million below the President's request. Some $245 million of this cut would come from Medical Care, forcing VA to reduce services provided to veterans in its hospitals, clinics, and nursing homes. The bill would deeply cut -- by nine percent below the request -- funding for the Veterans Benefits Administration, which would severely hamper VA's ability to provide veterans disability compensation, education benefits, home loans, vocational rehabilitation and counseling, and insurance in a timely fashion.

Department of Housing and Urban Development (HUD)

Since FY 1995, HUD appropriations have been cut more deeply than those of other cabinet agencies. HUD's discretionary budget authority was reduced by 24 percent in the FY 1995 rescission bill, from $26.3 billion (the FY 1994 enacted level) to $20.1 billion (the FY 1995 post-rescission level). In FY 1996, HUD's budget authority was reduced again to $19.5 billion. In FY 1997, the Subcommittee would once again reduce HUD program levels (after adjusting for one-time savings). The FY 1997 bill would: cut the President's request for incremental rental assistance to aid households in dire need by $176 million; institute a three-month delay in reissuing housing certificates to families in dire need; cut the Community Development Block Grant program by $455 million; reduce the request for homeless programs by $198 million; and, cut funding for the demolition of the worst public housing projects by $176 million.

Corporation for National and Community Service

The Administration is strongly opposed to the 34-percent reduction to the President's request for the Corporation for National and Community Service, one of the Administration's highest priorities. At the level included in the Subcommittee bill, approximately 6,000 young people would not have the opportunity to serve their communities through AmeriCorps and earn an education award to help pay for college or other post-secondary education. In addition, almost 50,000 school-age youth would lose the opportunity to learn about service in their communities through the Learn and Serve program.

Community Development Financial Institutions (CDFI)

The Administration strongly urges the Committee to fund the Community Development Financial Institutions program at the requested level. In response to the initial competition, the CDFI program received applications nearly 10 times the amount of funds available. The Subcommittee's decision to reduce the request by $81 million will reduce the fund's ability to leverage additional investments, loans, and financial services in the country's most distressed communities.

National Aeronautics and Space Administration (NASA)

The Subcommittee bill would cut the President's request for NASA by $729 million. In particular, the Administration is concerned that the bill would cut the Mission to Planet Earth program by over $200 million and would provide no up-front funding for the New Millennium Initiative.

The Administration would oppose any amendment that would seek to terminate or significantly reduce funding for the space station. Such action would jeopardize over 30,000 thousand space station-related jobs located in Florida, Texas, California, and Alabama. It would also significantly undermine the critical partnerships that the U.S. has developed with Russia, Canada, Europe, and Japan on this important, cooperative project.

Additional Administration concerns with the Subcommittee bill are contained in the enclosure. We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Alice M. Rivlin

Alice M. Rivlin
Director

Enclosure

Identical Letters Sent to Honorable Bob Livingston, Honorable David R. Obey, Honorable Jerry Lewis, and Honorable Louis Stokes

Enclosure
(House Committee)

ADDITIONAL CONCERNS
DEPARTMENTS OF VETERANS AFFAIRS, HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1997
(AS REPORTED BY THE HOUSE SUBCOMMITTEE)

The Administration looks forward to working with the Congress to address the following concerns:

Department of Housing and Urban Development (HUD)

- Objectionable Provisions. The bill fails to extend various authorizing provisions that were enacted for one year in FY 1996 such as the repeal of the one-for-one replacement requirement for demolished public housing. These are necessary reforms to our Nation's housing policies.

- Additional Concerns. The Administration objects to the inadequate funding provided for FHA multi-family loans, the inclusion of a prohibition on enforcement of property insurance laws, and an unwarranted three-month delay in reissuing housing certificates to families in dire need of assistance. The Administration also objects to the reduction in resources for the Office of Federal Housing Enterprise Oversight (OFHEO). OFHEO provides crucial taxpayer protection through its financial supervision of Fannie Mae and Freddie Mac.

Department of Veterans Affairs

- VA Construction. The Subcommittee would fund VA's construction budget at $444 million, $36 million below the President's request. This level of funding would eliminate $48 million for a new hospital that is needed to improve service to veterans in the Brevard County, Florida, area, and a new cemetery in Dallas/Fort Worth, Texas. These worthy projects would be eliminated, while at the same time the Subcommittee would add $65 million for seven less urgent projects not requested by the Administration.

- Objectionable Provisions. The Subcommittee bill would retain bill language limiting salary and travel costs for the staff of 45 in the Office of the Secretary to the FY 1996 restricted levels of $50 thousand for travel and $3.2 million for personnel compensation. These restrictions have placed an excessive burden on the Secretary's office in FY 1996. Reducing the travel budget by two-thirds again in FY 1997 would undermine the Secretary's ability to manage and lead the second largest department in the government.

  These cuts would prevent the Secretary from attending activities and events associated with medical centers, regional offices, and veterans services organizations, and would hinder his ability to serve as an advocate for veterans, employees, and their families. In addition, these travel cuts would limit the Deputy Secretary's ability to carry out his oversight responsibilities. The Centers for Women Veterans and Minority Veterans would also not be able to perform their functions as mandated by Congress. Many of the veterans who serve on these congressionally-sanctioned advisory committees do not have the income to travel without reimbursement.

Environmental Protection Agency

- Water Infrastructure. The Administration urges the Committee to restore the $100 million reduction to the request for the Drinking Water State Revolving Fund contained in the Subcommittee bill. This funding is needed to help establish this new program with sufficient funding to help municipalities meet Safe Drinking Water Act requirements and prevent problems such as the cryptosporidium outbreak in Milwaukee that killed 100 people.

- Global Climate and Climate Change Action Plan. The Administration is concerned that the Subcommittee would continue the trend of significantly reducing the resources available for the agency's Global Climate and Climate Change Action Plan programs. The $20 million reduction to these programs would seriously jeopardize the ability of the U.S. to reduce greenhouse gas emissions to 1990 levels by the year 2000. The Administration urges the Committee to restore the $20 million for these programs.

- Environmental Commitments and Priorities Abroad. The Subcommittee's targeted reductions to international programs, the Environmental Technology Initiative (ETI), and to programs associated with NAFTA would be harmful to the Administration's environmental commitments and priorities abroad. These reductions would compromise the nation's health, public safety, global competitiveness and national security. Through elimination of all ETI funds, EPA would no longer be able to operate U.S. Technology International Environmental Solutions (U.S. TIES), which matches priority environmental problems overseas with U.S. suppliers of proven and cost-effective environmental technologies and services. The reduced level of funding available for environmental activities associated with NAFTA and other international programs would mean the failure of the U.S. to uphold major commitments on critical international environmental problems such as lead, pesticides, and radioactive waste reduction.

National Science Foundation (NSF)

- The Subcommittee bill would cut the President's request for NSF by $114 million. In particular, the Administration is concerned that the bill would cut requested funding for Research and Related Activities by over $50 million, and would reduce grants for graduate fellowships by $2 million and undergraduate curriculum development by $5 million.

Council on Environmental Quality (CEQ)

- While the Administration appreciates the increase provided for CEQ, the Committee is urged to provide the President's full request for this key agency with responsibilities to advise the President and coordinate environmental policy-making. The small additional amount of funding would enable CEQ to achieve substantial improvements in its operations. Funding for CEQ, adjusted for inflation, would still be below that of the previous Administration.

Community Development Financial Institutions (CDFI)

- The Subcommittee bill would provide $1 million to the Community Development Credit Union (CDCU) Revolving Loan Fund, which is administered by the National Credit Union Administration (NCUA). The Administration strongly recommends that these funds be channeled to CDCUs through the Community Development Financial Institutions (CDFI) Fund, which provides financial assistance on a competitive basis to all community development financial institutions, including low-income, community development credit unions, rather than through the NCUA Revolving Loan Fund.

Office of Consumer Affairs (OCA)

- The Subcommittee bill would terminate the Office of Consumer Affairs. The Administration opposes the termination of OCA, which represents consumer needs and viewpoints across the Federal Government by coordinating Federal consumer policy and providing information to consumers through a help-line and a consumer's handbook.