

CRIME BILL

Strawman Violent Crime Reduction Trust Fund Allocations (in millions of dollars)

01-Aug-94

01:38 PM

FY 1995

Proposed

Comments

Violent Crime Reduction Trust Fund (VCRTF)

TOTAL → **BA** **2423** - **BA and OL totals taken from draft version of conference crime bill.**
OL **703**

Community Policing/ 100,000 Cops	BA	1332	Crime conference mark - \$8,845M over 6 years.
	OL	293	CJS - House - \$1,332M, Senate - \$1,300M
Border Security and Illegal Immigration Control	BA	299	Crime conference mark - \$1,000M over 6 years.
	OL	171 *	CJS - House - \$287M, Senate - \$299M
State Criminal Alien Incarceration Assistance (SCAAP)	BA	200	Crime conference mark - \$1,800M over 6 years.
	OL	66 **	CJS - House - \$0M, Senate - \$350M
Byrne Formula Grants (DOJ)	BA	183 ***	Crime conference mark - \$1,000M over 6 years
	OL	40	CJS - House - \$804M, Senate - \$423M
Boot Camps (DOJ)	BA	50	Crime conference - Not explicitly delineated.
	OL	11	CJS - House - \$0M, Senate - \$175M
Drug Courts (DOJ)	BA	50	Crime conference mark - \$1,300M over 6 years.
	OL	11	CJS - House - \$0M, Senate - \$100M
Treasury Law Enforcement	BA	80	Crime conference mark - \$605M over 6 years.
	OL	64	CJS - House - \$0M, Senate - \$0M
Youth Employment and Skills (Labor)	BA	50	Crime conference mark - \$650M over 6 years.
	OL	11	CJS - House - \$0M, Senate - \$0M
Ounce of Prevention (HHS & DoEd)	BA	15	Crime conference mark - \$100M over 6 years.
	OL	3	CJS - House - \$0M, Senate - \$3M
Violence Against Women	BA	86	Crime conference mark - \$1,800M over 6 years.
	OL	19	CJS - House - \$0M, Senate - \$86M
Community Schools	BA	37	Crime conference mark - \$270M over 6 years.
	OL	8	CJS - House - \$0M, Senate - \$37M
Prison Drug Treatment	BA	27	Crime conference mark - \$425M over 6 years.
	OL	6	CJS - House - \$0M, Senate - \$0M

LEFT OVER

BA **14**
OL **-0**

c:\ojpccf94\cmlbprj6.wk3

* Assumes 42% spendout rate for identification system acquisition and 85% for remaining activities. Original OMB scoring @ 85% overall (\$255M).

** Assumes SCAAP spendout rate of 33%. Original budget amendment (March) assumed 75% (\$150M).

*** Assumes an additional \$175M would be provided under disc. caps outside of Trust fund, for a total of \$358M (1994 enacted level).

→ NEXT YEAR SEPARATED TO THE VARIOUS SUBCOMMITTEES
Annual planning guidance to include trust fund #.

- Go w/ higher #

- need \$200mil (police)

THIS NEEDS APPROPRIATIONS CHANGE TO GET THIS
PETER: THIS \$ SHOULD GO TO HHS + JUSTICE.

630 to HHS = 900
(70% to HHS)
(30% to Ed.)



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

March 16, 1994

NOTE TO: BRUCE REED <--
JOSE CERDA
CHRIS EDLEY
MARTHA FOLEY
BARRY ANDERSON
BOB DAMUS
KEN RYDER
RON KLAIN
GRACE MASTALLI
Joff ~~JIM~~ ROBINSON
JIM JUKES
BARBARA CHOW
TRACEY THORNTON
KAREN HANCOX

FROM: KEN SCHWARTZ ^{KS}

As discussed at our last interagency meeting, attached are proposed language substitutes for the "Violent Crime Reduction Trust Fund" provision of the Senate Crime bill. This is being provided to you in case this issue arises at the 11th hour during House consideration of the crime bill. At a minimum, the "outlay mismatch" problem described in the attachment needs to be addressed during conference committee.

If you have any questions or problems associated with the attachments, please call me (395-4892).

Attachments

ATTACHMENT

PROPOSED "FIX" TO THE LANGUAGE PERTAINING TO THE VIOLENT CRIME REDUCTION TRUST FUND

The language currently in the Senate crime bill (H.R. 3355) pertaining to the establishment of a "Violent Crime Reduction Trust Fund" causes problems. Attached are two proposed legislative language fixes to the problems. The two fixes (versions A and B) are described below.

Version A. Preferred legislative language fix. We have drafted language that funds a "Crime Control Fund" (same appellation used in the Budget) from savings resulting from a 252,000 FTE reduction. Authorizations for 1995-99 exceed \$23 billion, a sum which exceeds amounts explicitly authorized in the Senate's crime bill but which is consistent with the amounts shown in the President's Budget. However, there is no downward adjustment to the discretionary caps associated with this fund, and a budgetary "firewall" for crime funding would be avoided. The proliferation of such firewalls would limit the flexibility of both the President and the Congress and would unnecessarily complicate the Federal budget.

Version B. Fallback legislative language fix. We have drafted language that makes as few changes to the existing Senate language as possible. It retains a "Violent Crime Reduction Trust Fund" (same appellation used in the Senate crime bill) from savings resulting from a 252,000 FTE reduction. Authorizations for 1995-99 are the same as Version A described above. However, it differs with Version A in that it would retain the Senate crime bill's reduction in the discretionary caps (i.e., a "firewall" for anti-crime funding). The major difference between Version B and the language in the Senate crime bill is associated with outlay estimates. The outlay mismatch is explained in the paragraph below.

The Senate crime bill dedicates savings achieved by legislating reductions of 252,000 FTEs from the Federal workforce. The outlays savings from this dedicated revenue source will not match the outlays proposed for crime control. The crime bill programs include such items as hiring additional police, financing criminal records upgrades, and financing such disparate activities as drug courts, boot camps, and the Police Corps. These programs will, in many cases, take time to implement, resulting in slowly escalating outlays. The personnel reduction, in contrast, will result in very quick outlay savings, which have already been factored into the budget estimates of the departments and agencies. Hence, an

outlay mismatch develops whereby the outlays associated with new crime spending do not tie to the outlays associated with reductions in Federal staffing. The result of the mismatch is that the discretionary cap outlays are reduced more than they should be, and the President's investments and other Congressional priorities are penalized. In 1995, the penalty is \$1.6 billion in outlays. For 1995-99, the penalty is \$3.1 billion in outlays. Version B retabulates outlays to correlate with the authorization of new crime budget authority. The table below shows the magnitude of the problem on a year-by-year basis.

		(\$ in millions)						
		Fiscal Years						
		1994	1995	1996	1997	1998	1999	1994-1999
Reduction in Discretionary Cap [Sen. Bill]								
	BA	720	2,423	4,267	6,313	8,545	---	22,268
	OL	314	2,330	4,187	6,221	8,443	---	21,495
Crime Control [FY95 Budget]								
	BA	---	2,423	4,267	5,000	5,500	6,500	23,690
	OL	---	699	2,325	3,936	4,988	6,407	18,355
Difference								
	BA	720	0	0	1,313	3,045	(6,500)	(1,422)
	OL	314	1,631	1,862	2,285	3,455	(6,407)	3,140

Version A.

SEC. 1353 CREATION OF CRIME CONTROL FUND.

(a) ESTABLISHMENT OF THE ACCOUNT. -- Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

ss1115 Crime Control Fund.

"(a) There is established a separate account in the Treasury, known as the 'Crime Control Fund', into which shall be deposited savings achieved by section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.

"(b) The following amounts are authorized to be appropriated to the Crime Control Fund --

- "(1) for fiscal year 1995 \$2,423,000,000;
- "(2) for fiscal year 1996 \$4,267,000,000;
- "(3) for fiscal year 1997 \$5,000,000,000;
- "(4) for fiscal year 1998 \$5,500,000,000;
- "(5) for fiscal year 1999 \$6,500,000.000.

"(c) The amounts in the Crime Control Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993, and any statute enacted prior to this provision which expressly qualifies expenditures from the Crime Control Fund.

Version B.

SEC. 1353 CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT. -- Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

ss1115 Violent crime reduction trust fund.

"(a) There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction achieved by section 1352 of the Violent Crime Control and Law Enforcement Act of 1993 sufficient to fund that Act (as defined in subsection (b) of this section).

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1995), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund--

- "(1) for fiscal year 1995 \$2,423,000,000;
- "(2) for fiscal year 1996 \$4,267,000,000;
- "(3) for fiscal year 1997 \$5,000,000,000;
- "(4) for fiscal year 1998 \$5,500,000,000;
- "(5) for fiscal year 1999 \$6,500,000,000.

"(c) Notwithstanding any other provision of law--

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993, and those expenses authorized by any statute enacted prior to this statute which are expressly qualified for expenditure from the Violent Crime Reduction Trust Fund;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriation under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1994 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated."

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.--Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund."

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.--Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in the Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993."

SEC. 1354. CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of the Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1995 through 1998 as follows:

(1) for fiscal year 1995, for the discretionary category: \$2,423,000,000 in new budget authority and \$699,000,000 in outlays;

(2) for fiscal year 1996, for the discretionary category: \$4,267,000,000 in new budget authority and \$2,325,000,000 in outlays;

(3) for fiscal year 1997, for the discretionary category: \$5,000,000,000 in new budget authority and \$3,936,000,000 in outlays;

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(5) for fiscal year 1999, for the discretionary category: \$6,500,000,000 in new budget authority and \$6,407,000,000 in outlays;



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

March 16, 1994

NOTE TO: BRUCE REED
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- "(3) for fiscal year 1997 \$5,000,000,000;
- "(4) for fiscal year 1998 \$5,500,000,000;
- "(5) for fiscal year 1999 \$6,500,000.000.

"(c) The amounts in the Crime Control Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993, and any statute enacted prior to this provision which expressly qualifies expenditures from the Crime Control Fund.

Version B.

SEC. 1353 CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT. -- Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

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"(a) There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction achieved by section 1352 of the Violent Crime Control and Law Enforcement Act of 1993 sufficient to fund that Act (as defined in subsection (b) of this section).

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1995), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund--

- "(1) for fiscal year 1995 \$2,423,000,000;
- "(2) for fiscal year 1996 \$4,267,000,000;
- "(3) for fiscal year 1997 \$5,000,000,000;
- "(4) for fiscal year 1998 \$5,500,000,000;
- "(5) for fiscal year 1999 \$6,500,000,000.

"(c) Notwithstanding any other provision of law--

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993, and those expenses authorized by any statute enacted prior to this statute which are expressly qualified for expenditure from the Violent Crime Reduction Trust Fund;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriation under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1994 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated."

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.--Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund."

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.--Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

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"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993."

SEC. 1354. CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of the Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1995 through 1998 as follows:

- (1) for fiscal year 1995, for the discretionary category: \$2,423,000,000 in new budget authority and \$699,000,000 in outlays;
- (2) for fiscal year 1996, for the discretionary category: \$4,267,000,000 in new budget authority and \$2,325,000,000 in outlays;
- (3) for fiscal year 1997, for the discretionary category: \$5,000,000,000 in new budget authority and \$3,936,000,000 in outlays;
- (4) for fiscal year 1998, for the discretionary category: \$5,500,000,000 in new budget authority and \$4,988,000,000 in outlays;
- (5) for fiscal year 1999, for the discretionary category: \$6,500,000,000 in new budget authority and \$6,407,000,000 in outlays;

TITLE XXIV -- VIOLENT CRIME

REDUCTION TRUST FUND

SEC. 2401. CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) VIOLENT CRIME REDUCTION TRUST FUND. -- There is established a separate account in the Treasury, known as the "Violent Crime Reduction Trust Fund," (hereinafter in this section referred to as the "Fund") into which shall be deposited deficit reduction achieved by reductions in Federal civilian employment.

(b) AMOUNTS IN FUND. -- On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1995), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund--

- (1) for fiscal year 1995: \$2,423,000,000 in new budget authority and \$698,000,000 in outlays;
- (2) for fiscal year 1996: \$4,287,000,000 in new budget authority and \$2,325,000,000 in outlays;
- (3) for fiscal year 1997: \$5,000,000,000 in new budget authority and \$3,936,000,000 in outlays;
- (4) for fiscal year 1998: \$5,500,000,000 in new budget authority and \$4,988,000,000 in outlays; and
- (5) for fiscal year 1999: \$6,500,000,000 in new budget authority and \$6,407,000,000 in outlays.

(c) TREATMENT OF FUND. -- Notwithstanding any other provision of law --

(1) the amounts in the Fund may be appropriated exclusively for the purposes authorized in this Act and those expenses authorized by any statute enacted before this Act which are expressly qualified for expenditure from the Fund by that statute;

(2) appropriations under paragraph (1) shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985;

(3) for purposes of this subsection, "appropriations under paragraph (1)" mean amounts of budget authority and outlays not to exceed the amounts set forth in subsection (b) resulting from appropriations made pursuant to paragraph (1);

(4) for each fiscal year, the Committees on Appropriations shall allocate among their subcommittees amounts available for appropriation from the Fund;

(5) for purposes of budget enforcement procedures under the Congressional Budget Act of 1974 (notwithstanding paragraph 2), for fiscal year 1995, any amounts appropriated from the Fund shall be counted as amounts provided under and subject to the allocated levels and amounts for the Committee on Appropriations provided in the Concurrent Resolution on the Budget for Fiscal Year 1995 (H.Con.Res.218); and

(6) for purposes of calculations required by Sections 251(b)(2)(E) and 251(b)(2)(F) of the Balanced Budget and Emergency Deficit Control Act of 1985, amounts appropriated from the Fund shall be considered as a part of the adjusted limits referred to in such sections.

(d) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS. -- Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund."

(e) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT. -- Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(30) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in the Trust Fund.

"(31) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with the Federal Workforce Restructuring Act of 1994."

SEC. 2402. CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon the establishment of the Violent Crime Reduction Trust Fund pursuant to section 2401, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1995 through 1998 as follows:

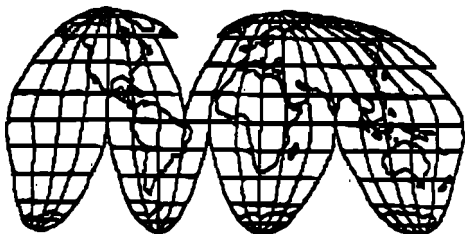
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(3) for fiscal year 1997, for the discretionary category: \$5,000,000,000 in new budget authority and \$3,936,000,000 in outlays; and

(4) for fiscal year 1998, for the discretionary category: \$5,500,000,000 in new budget authority and \$4,988,000,000 in outlays.

For fiscal year 1999, the comparable amounts for budgetary purposes shall be deemed to be \$6,500,000,000 in new budget authority and \$6,407,000,000 in outlays.

**TELECOPIER COVER SHEET****TRANSPORTATION,
COMMERCE & JUSTICE
DIVISION / SPECIAL
STUDIES DIVISION****FROM:**Kenneth Schwartz

Harry Meyers

Roger Adkins

Cora Beebe

Sharon Barkeloo

Chris Bertram

Chris Brown

Daniel Corbett

Alice Davis

Meg DiBari

Jim Duke

Kiran Duwadi

Anita Ford

Martha Gagné

Louisa Koch

Brad Kyser

Lin Liu

Jonas Neihardt

Jeff Payne

Jeeyang Rhee

Adrien Silas

Desiree Thompson

David Tornquist

Vernetta Tanner

Trish Watson

Rebecca Wayne

TO: Bruce Reed**PHONE:** _____**Number of pages** _____**(includes this page)****SUBJECT:** OMB's PrimaryCONCERN**SEE REMARKS BELOW****REMARKS:** Re My EMailto you dated 3/5 (2:20 p.m.)**Phone:** 202/395-4892

202/395-5704

202/395-3914

202/395-7234

The phone number for this Xerox 7020 machine is 395-7238

2. While the President's 1995-96 crime fund BA estimates are the same as those in the Senate, the implied outlays are vastly different. The Senate bill ties discretionary cap outlay reductions to the FTE reduction saving targets (based on CBO estimates). Because FTEs are "fast spending," the Senate's outlay reductions are high. The 1995 Budget, on the other hand, ties outlays to the spend-out rates expected from the new crime spending BA (our estimated first year spend-out is only about 30%). The result of this outlay mismatch is that the Senate bill would reduce 1995 discretionary outlays by \$1.6B more than would be necessary to offset "crime fund" spending. The mismatches are even greater for 1996-98.
3. You will note that the President's Budget includes slightly higher "crime" BA (\$23.7B) than that contained in the Senate crime bill (\$22.3B). The reason for this is that, late in the budget process, we were asked to lower "crime" BA and outlays for 1997-98 so that the aggregate discretionary caps would not be breached. Therefore, we lowered our 1997-98 BA below the levels contained in the Senate's crime bill. To avoid complaints from DPC (Bruce Reed), we put in a high plug number for 1999. Bruce Reed was satisfied with this recalculation insofar as the Administration could not be accused of short-changing crime funding.

Suggestion

If the creation of a crime budgetary "firewall" proves unavoidable, try to:

- strike the 1994 cuts to the discretionary caps; and
- conform the 1995-99 cuts to the discretionary caps to the aggregate crime spending BA and outlays contained in the President's Budget.

c: Chris Edley
Barry Anderson
Martha Foley
Frank Reeder

Bruce

Other "big" problems
from our perspective are:

- 2- 1) make sure immigration initiative is an eligible expense for crime bill financing. (Perhaps other programs, too).



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

cc:
TCJ Official File
Mr. Schwartz
TCJ Front Office
Mr. Meyers
Mr. Duto
TCJ/KSchwartz:pjw 2/21/94

February 28, 1994

MEMORANDUM FOR THE DIRECTOR

FROM: Ken Schwartz ^{Original signed by} Kenneth Schwartz
SUBJECT: Senate Buy-Out Bill/Crime Trust Fund -- For
Your Possible Use in Discussions with the Hill

The purpose of this memorandum is to alert you to a BA and outlay mismatch between reductions in discretionary spending limits tied to the creation of a "Violent Crime Reduction Trust Fund" contained in the Senate Buy-Out bill and "Crime Control Fund" funding contained in the President's 1995 Budget. The BA and outlay differences are displayed below.

As you know, the President gave a speech in Ohio that supports creation of a crime trust fund financed by reductions in FTEs. However, as yet he has not publicly supported the creation of a crime budgetary "firewall" (i.e., protected funding outside the bounds of the discretionary cap).

		(\$ in millions)						
		Fiscal Years						
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	OL	314	2,330	4,187	6,221	8,443	—	21,495
Crime Control (FY95 Budget)								
	BA	—	**2,423	4,267	6,000	5,500	6,500	23,690
	OL	—	699	2,325	3,936	4,988	6,407	18,355
Difference								
	BA	720	0	0	1,313	3,045	(6,500)	(1,422)
	OL	314	1,631	1,862	2,285	3,455	(6,407)	3,140

*BA for the "Violent Crime Reduction Trust Fund" equates to the numbers shown here (\$22.3B).

**Includes \$1,720M for police, \$100M for Brady Bill criminal records upgrades, \$300M for immigration initiatives (especially border security), and \$303M for all other activities (e.g., drug courts, boot camps, police corps, etc.).

As you can see, there are three primary differences between the President's 1995 request and in the Senate bill:

1. The President's request does not include 1994 money for violent crime;

VIOLENT CRIME CONTROL & LAW ENFORCEMENT ACT OF 1993
(dollars in millions)

PROGRAM	FY94	FY95	FY96	FY97	FY98	FY99	TOTALS
Public Safety & Policing	\$475	\$675	\$750	\$750	\$750		\$3,400
Regional Prisons for Violent Drug Offenders		700	100	100	100	100	\$1,100
BIDEN ACCEPTS JUSTICE		200					\$200 (less \$900m)
Military-style Boot Camp Prisons		150	25	25	25	25	\$250
NEW JUSTICE COST ESTIMATES		73	47	49	49	51	\$269
JUSTICE PROPOSAL		200					\$200
Drug Testing Upon Arrest		100	100	100			\$300
Certainty of Punishment for Young Offenders		200	200	200			\$600
Substance Abuse Treatment for Prisoners		100	100	100			\$300
Habeas funding		"such sums as may be necessary"					
Juvenile Drug Trafficking & Crime Prevention		100	"such sums as may be necessary"				\$100
Community Substance Abuse Prevention		15	20	25			\$60
Police Corps		100	100	"such sums as may be nec."			\$200
Law Enforcement Scholarships		30	30	30	30	30	\$150
Law Enforcement Family Support		5	5	5	5	5	\$25
Drug Emergency Areas		300	300	300			\$900
BIDEN OFFERS TO DELETE		0	0	0			\$0 (less \$900m)
Rural Drug Enforcement		50	"such sums as may be necessary"				\$50
Safe Schools Assistance	100	100	100				\$300
Oprah Bill		20					\$20
FEDERAL LAW ENFORCEMENT		380					\$380 (TOTAL)
DEA		100					\$100
FBI		98					\$98
INS		45					\$45
U.S. Attorneys		45					\$45
U.S. Marshalls		10					\$10
U.S. Courts		20					\$20
Fed. Def. Services		12					\$12
Phil. U.S. Attorney		35					\$35
BIDEN OFFERS TO DELETE		0					\$0 (less \$380 m)
HOUSE CUTS ALL BUT DEA, FBI		(\$198 m.)					(\$198 m.)
DNA Identification Act		14	14	14	14	14	\$70
Racial Bias Study		2	2	2	2	2	\$10
TOTALS	\$575	\$3,041	\$1,846	\$1,651	\$926	\$176	\$8,215
REVISED BIDEN TOTAL	\$575	\$1,784	\$1,468	\$1,275	\$850	\$102	\$6,054

Violent Crime Reduction Trust Fund

CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT. -- Chapter 11 of title 31, United States Code, is amended by inserting at the end thereof the following new section:

ss1115 Violent crime reduction trust fund.

"(a) There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction achieved by reductions in Federal civilian employment.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1995), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund--

- "(1) for fiscal year 1995 \$2,423,000,000;
- "(2) for fiscal year 1996 \$4,267,000,000;
- "(3) for fiscal year 1997 \$5,000,000,000;
- "(4) for fiscal year 1998 \$5,500,000,000;
- "(5) for fiscal year 1999 \$6,500,000,000.

"(c) Notwithstanding any other provision of law--

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993, and those expenses authorized by any statute enacted prior to this statute which are expressly qualified for expenditure from the Violent Crime Reduction Trust Fund;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriation under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1994 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated."

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.--Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund."

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.--Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in the Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with the Violent Crime Control and Law Enforcement Act of 1993."

CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of the Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1995 through 1998 as follows:

- (1) for fiscal year 1995, for the discretionary category: \$2,423,000,000 in new budget authority and \$698,000,000 in outlays;
- (2) for fiscal year 1996, for the discretionary category: \$4,267,000,000 in new budget authority and \$2,325,000,000 in outlays;
- (3) for fiscal year 1997, for the discretionary category: \$5,000,000,000 in new budget authority and \$3,936,000,000 in outlays;
- (4) for fiscal year 1998, for the discretionary category: \$5,500,000,000 in new budget authority and \$4,988,000,000 in outlays;
- (5) for fiscal year 1999, for the discretionary category: \$6,500,000,000 in new budget authority and \$6,407,000,000 in outlays;



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

THE DIRECTOR

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Funding the Crime Bill -- Information

You should be aware of some possible unintended consequences of fully funding all programs proposed in the Biden crime bill (S. 1488). The Department of Justice's (DOJ) FY 1995 request is about 10 percent (+\$0.8 billion) over its 1995 planning baseline. If the Biden bill authorizations were added to this sum, DOJ's request would be about 20 percent (\$1.9 billion) over the planning baseline. A commitment to full funding of the Biden Bill authorizations would put extensive additional pressure on the DOJ FY 1995 budget and could tie your hands as you make difficult tradeoffs in assembling the FY 1995 budget package in the weeks ahead.

Authorizations In the Crime Bill

The attachment shows the \$6.7 billion in FY 1994-99 authorizations. Of this total, over half (\$3.5 billion) supports 50,000 cop hires towards your goal of 100,000 new cops for community policing. The remaining Biden authorizations (\$3.2 billion) support a variety of other grant-in-aid law enforcement programs, such as juvenile anti-gang grants, the Police Corps, law enforcement officer scholarships, "Drug Court" grants, and rural drug enforcement grants.

Currently, only the bill's funding for your cops initiative is anticipated in the 1995-1999 planning baseline OMB provided to the DOJ. That is to say, the full \$650 million 1995 cops authorization is within our planning baseline. *Other new grant programs, with the exception of low levels of funding for the Police Corps and criminal records upgrades (to support the Brady Bill), are not provided for, however.* The table below outlines the principal DOJ programs funded under differing scenarios.

Department of Justice Discretionary Budget Authority (\$ in Billions)					
	1994 Pres. Budget	1994 Likely Enacted	1995 Planning Baseline	1995 DOJ Request	DOJ Req. + Biden Bill
Cops	0.1	*	0.7	0.7	0.7
Other Crime Bill	N/A	N/A	*	*	1.1
Prisons	2.3	2.3	2.5	2.9	2.9
INS	1.0	1.0	1.1	1.2	1.2
FBI/DEA	2.8	2.8	2.7	2.9	2.9
Other DOJ	3.4	3.3	3.4	3.5	3.5
TOTAL ---->	9.6	9.4	10.4	11.2	12.3

* - under \$50 million.

Pressures on DOJ's 1995 Budget

Of all the cabinet agencies, DOJ's planning baseline shows the largest percentage increase (+8 percent) from 1994 to 1995. However, much of this increase is necessary to fund a few high-priority programs, including:

- Police Hires. Funds 50,000 cops over the next six years (\$650 million in 1995). Consistent with the Biden bill's community policing authorization level, the planning baseline would permit hiring about 50,000 uniformed police by 1999. To meet fully your 100,000 cops pledge, we either would have to continue the program for another five years or, as we had planned last spring, attribute the remaining cops to other initiatives, such as the law enforcement component of the National Service Program. However, this plan for attributing the remaining 50,000 policing slots to other programs is already in jeopardy because of recently concluded Congressional actions on FY 1994 appropriations bills. In view of those actions, and looking across the departments at the planning baselines with which we are working today, it will be extremely difficult to resuscitate our earlier strategy for funding 100,000 cops.
- Prison operations. New prison activations will require an additional \$500 million for 1995. Over the next five years, another \$2 billion and 15,000 staff will be required to cope with an increasing prison population.
- Health-care fraud. DOJ's plans tentatively include a major initiative on the discretionary side of the budget against health-care fraud. DOJ projects \$300 million and 2,000 staff will be needed for this initiative by FY 1996.
- Immigration and Naturalization Service (INS). To meet announced commitments, INS is estimating \$80 million in added 1995 funding. However, current INS requirements do not include its new pending asylum reform initiative (\$50-100 million).
- Border control and illegal immigration. Nor do current budget plans have room for two other issues I believe you should consider in the weeks ahead: a major initiative directed at the 2-3 million illegal aliens now in the country or a dramatically more aggressive enforcement of the Southwest border. Such a program could cost \$300-500 million per year. (If you want to provide Federal fiscal relief to states and localities facing extraordinary costs from illegal aliens, this number could easily double.)

In short, even without the additional funding required by the Biden bill or a major immigration initiative, we will have to reduce the Attorney General's \$11.2 billion request by \$0.8 billion to hit the FY 1995 planning baseline. This will likely result in the following:

- Reducing the pay for Federal law enforcement officers by over \$100 million by controlling overtime usage.

- Decreasing law enforcement funding for DEA and FBI (\$75 million below 1994 likely action). Significant program and equipment reductions are required. Reductions in force (RIFs) may be required.
- Stemming the influx of new Federal prisoners by reducing low priority prosecutions and assuming State court systems will absorb the resulting case flow.
- Reducing Byrne Anti-Drug Abuse formula grants by about \$250 million, or 65% from 1994 conference level.

Conclusion

The point of this is that OMB and DOJ are struggling to shoehorn DOJ's 1995 funding requirements into its 1995 ceiling. This will be difficult to do and may require large cuts in Federal law enforcement programs. Some may question the advisability of cutting deeply into the "bread and butter" of Federal law enforcement while, at the same time, greatly expanding Federal law enforcement assistance programs, pursuant to the crime bill.

For the reasons cited above, I believe it would be premature for the Administration to sign on to full funding of the total authorizations (\$6.7 billion) in S. 1488. A commitment of that sort should only be made in the context of reviewing the larger, difficult budget choices within DOJ and across the departments. If you wish to extol the virtues of the crime bill, it may be wise to hedge on pledges to finance all of its many funding authorizations.

Attachment

Authorizations in Senate Crime Bill -- S. 1488
(\$ in Millions)

	1994	1995	1996	1997	1998	1999	Total
Programs							
Policing/Cops on the Beat	200	650	650	650	650	650	\$3,450
Habeaus Corpus Reform	--	ss	ss	ss	ss	ss	
Youth Violence/Anti-Gang Grants	--	100	ss	--	--	--	\$100
Sex Violence/Child Abuse (Oprah)	--	20	20	20	--	--	\$60
S & L Law Enforcement							
DNA ID - State Grants	--	10	10	10	10	10	\$50
DNA ID - FBI	--	5	5	5	5	5	\$25
Community Partnerships	--	15	20	25	--	--	\$60
Racial Bias Study	--	2	2	2	2	2	\$10
Police Officer Provisions							
Family Support	--	5	5	5	5	5	\$25
Police Corps	--	100	100	ss	ss	ss	\$200
Law Enforcement Scholarships	--	30	30	30	30	30	\$150
Drug Court Programs							
Drug Test Arrestees	--	100	100	100	--	--	\$300
Alt. Punishments for Youth	--	200	200	200	--	--	\$600
Drug Treatment/State Prisoners	--	100	100	100	--	--	\$300
Prisons							
Drug Testing - Fed. Prisoners	ss	ss	ss	ss	ss	ss	\$0
Drug Treatment - Fed. Prisoners	ss	ss	ss	ss	ss	ss	\$0
Boot Camp for Violent Offenders	--	200	--	--	--	--	\$200
Rural Crime							
Rural Drug Enf. Assistance	--	50	50	50	--	--	\$150
Rural Drug Enf. Training	--	1	1	1	--	--	\$3
Missing Alzheimer's Program	--	1	1	1	--	--	\$3
Parental Kidnapping - Grants	--	*	*	*	*	*	\$0
Safe Schools Assistance	100	100	100	--	--	--	\$300
SUBTOTAL----->	\$300	\$1,689	\$1,394	\$1,199	\$702	\$702	\$5,986
Est. of "such sums" totals	\$20	\$40	\$150	\$150	\$160	\$160	\$680
TOTAL ----->	\$320	\$1,729	\$1,544	\$1,349	\$862	\$862	\$6,666

Notes: 'ss' represents "such sums as may be necessary." '*' represents "less than \$500,000."

DRAFT -- NOT YET SUBMITTED -- DRAFT -- NOT YET SUBMITTED -- DRAFT

October 25, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
JOSE CERDA III

SUBJECT: CRIME BILL FUNDING

I. ACTION-FORCING EVENT

The crime bill will be taken up on the Senate floor and in the House Judiciary Committee next week. As the crime issue takes on increasing urgency in Congress and the countryside, we face the prospect of a bidding war in both houses, in which Republicans and even liberal Democrats compete to prove that they care more about crime than the Administration. Senator Biden and others are urging us to pre-empt this debate by pledging more resources for cops, drug treatment, and prisons.

II. BACKGROUND

A. House Update

The outlook for passing some kind of crime bill by Thanksgiving may have improved significantly. In the House, Chairman Brooks has given up trying to find habeas reform and death penalty provisions that can attract a majority of House Democrats, and has decided to postpone consideration of those issues until next year. The Black Caucus opposed his habeas proposal, even though it was more liberal than ours and much more liberal than current law, and he does not believe he could get a majority to vote the crime bill out of committee without substantial prodding from the Administration or unacceptable revisions in habeas.

Brooks plans instead to break out the key components -- cops, boot camps, drug courts, Safe Schools, and the Brady Bill -- and pass them all separately. If the Republicans go along, the crime measures can then be passed quickly under suspension in the House, and easily reconciled with Senate versions. This strategy avoids the specter of an irreconcilable conference, and should assure that the Brady Bill and most key elements of the crime bill will be on your desk by Thanksgiving.

Biden is considering a similar strategy in the Senate, but he has less control over the outcome. Hatch may agree to drop habeas, but Gramm and other Republicans will force

death penalty votes at every turn -- and most will probably pass. The leadership in both houses may have to commit to considering a death penalty/habeas reform bill at some point.

B. What to Do About the Bidding War

Momentum is building within the Congress and around the country to do more on crime -- and the chance that the death penalty may not be part of this year's final package will only increase pressure on Democrats to come out for more cops and more prisons.

Before introducing the House and Senate crime bills in September, Brooks and Biden scaled back the authorization levels from \$8.9 billion in last year's conference report to \$5.9 billion this year. At the time, they were concerned about deflecting criticism over how to pay for these programs. With crime emerging as the number one issue in the country, that concern is out the window.

Now Biden and other Senate Democrats are concerned that the Republicans (and some of their own Democratic colleagues) will do to us on crime what they did to us this past week on drugs: beat up on this Administration for being unwilling to spend more than the last one. Biden recognizes that these criticisms are unfair, but he expects his colleagues to make them anyway. He fears that our \$6 billion crime bill will quickly become somebody else's \$12 billion crime war.

There is no way to stop this train in the Senate, where every imaginable get-tough amendment is likely to pass with large bipartisan majorities. (Biden told us that Senators Feinstein and Moseley-Braun plan to offer an amendment to let states try 12-year-olds as adults, even in capital cases, and other Democrats want to offer truth-in-sentencing amendments to make states that want prison funds guarantee that their inmates will serve at least 85% of their sentence.) The Republicans will add \$2-3 billion for prisons, the Democrats will add more money for drugs, and both sides will get behind more money for cops. Even deficit hawks from low-crime states, like Conrad and Dorgan, are leading the charge to throw more money at the crime problem.

Biden strongly believes that the Administration needs to seize control of the issue by upping the ante. On Friday, Mack McLarty convened a meeting with the Attorney General and White House senior staff to address this matter. There was no disagreement on the merits or the politics of putting more money into the Administration's key anti-crime programs; the only issue was money.

That meeting produced one recommendation for how you can take the initiative in a responsible but aggressive manner, by claiming a little more credit for a decision you've already made but few know about: earmarking part of the October spending cuts package for the crime bill.

Last week, you and the Vice President agreed to commit \$3+ billion of the \$10+ billion in spending cuts and procurement savings to fully fund the crime bill. The \$3+ billion figure represents the difference between the \$3.4 billion already in the Justice Department's FY95-99 baseline for community policing, and OMB's estimate of what all the programs in the Biden-Brooks bills would actually cost. (It adds up to more than \$5.9 billion because some of the authorization levels in the crime bill are set at "such sums.")

Last week, Leon Panetta sent you the attached memorandum advising you not to promise to "fully fund" the entire crime bill (except for community policing), because we will also have to find room in next year's budget for other Justice priorities, such as immigration, as well as contemplate some difficult cuts in federal law enforcement. Moreover, at least \$1 billion of the \$6 billion in the current bill goes for programs and authorization levels that Biden and Brooks inserted at the request of other members, which Justice has no intention of funding and which duplicate other initiatives under way at other agencies.

Rather than committing \$3+ billion from the spending cuts package to "fully fund" a hodgepodge of crime programs, we recommend earmarking \$5 billion from the October package and procurement reform to the Administration's three crime priorities: more cops, drug courts, and boot camps/prisons.

There are several advantages to this strategy:

1. We could get at least 60,000 cops (instead of 50,000), and address several members' concern that some cities may need a slightly higher federal match;
2. We could blunt our drug critics by committing some real money to drug courts, an approach which has the strong support of the Attorney General and the Drug Director;
3. We could head off the pounding we'll take from Republicans over money for prisons, which will pass whether we like it or not; and
4. We could give the spending cuts package and procurement reform a boost by tying them to a popular and immediate issue.

We still wouldn't be fully funding the crime bill, but the combination of \$3.4 billion from the Justice baseline and \$5 billion from the October package and procurement reform would allow increased authorization levels of \$4.9 billion in cops (60,000+), \$1.5 billion in drug courts (drug treatment and certainty of punishment for an estimated 250,000 minor drug offenders), and \$2+ billion in boot camps and prisons (an estimated 75,000 boot camp slots, 15,000 three-year prisoner slots, and drug treatment for 200,000 criminal addicts).

Moreover, there is a natural link between reinventing government and fighting crime: the whole point of the Vice President's effort has been to steer government away from things it doesn't know how to do, into things government has to do and no one else can. You made

this connection many times in the campaign, when you said you wanted to reduce the bureaucracy by 100,000 and use the money to help put 100,000 new police on the street.

This strategy is not without some cost. First, if we commit \$5 billion from the October package to crime, we will fall short of some members' \$10 billion target for deficit reduction. Second, if the October package doesn't pass, we may be criticized for passing a crime bill that has not yet been paid for. But that's true whether we commit \$3 billion or \$5 billion -- and if Congress votes down our spending cuts, it won't be our fault if we can't fund everything in the crime bill. Moreover, we can come back next year with any spending cuts that fail this time around and use them to offset crime-related Justice spending in FY95.

You should also be aware that like every other department, Justice faces a serious funding crunch in FY95, even though it will receive the largest increase. Justice has been handed several new initiatives, including immigration and the health care fraud program. All these initiatives, together with other new programs at other departments, will present a series of tough choices in nailing down the FY95 budget.

The Attorney General summed up her concerns in one word: "money". She is willing to commit to more drug courts, cops, and boot camps -- so long as the White House is willing to commit the money. She does not want to be forced down the road to cut FBI and DEA agents to make room in the budget for expansions in other law enforcement assistance.

OMB lays out its concerns in the attached memorandum. In summary, OMB wants you to understand that we will not be able to fully fund all the authorizations in the crime bill and all the potential new initiatives at Justice.

We agree that those concerns will have to be addressed early next year in the broader context of the FY95 budget. We do not believe that committing a greater portion of the spending cut package to crime and drugs now will tie your hands later. Unless and until Congress keeps its end of the bargain by agreeing to your spending cuts, you cannot be expected to spend money you don't have.

If you are willing to commit a greater portion of the spending cut package to crime, we recommend that you consider the following course of action:

____ Use Tuesday's procurement/October package event to announce that as a sign of the Administration's seriousness about the epidemic of violence, you want the first \$5 billion in cuts and procurement savings to go to fighting crime, with the balance to go for deficit reduction.

____ Ask Biden and Brooks to raise the authorization levels for more cops, more drug courts, and more boot camps/prisons.

____ If your schedule permits, join Drug Director Brown and Attorney General Reno at Wednesday's opening of the D.C. drug court, which was funded through an HHS grant from the Clinton Administration.

____ Use every appropriate opportunity during the House/Senate debates on the crime bill and the spending cut package to stress the importance of bold, immediate action.

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Moreover, there is a natural link between reinventing government and fighting crime: the whole point of the Vice President's effort has been to steer government away from things it doesn't know how to do, into things government has to do and no one else can. You made

this connection many times in the campaign, when you said you wanted to reduce the bureaucracy by 100,000 and use the money to help put 100,000 new police on the street.

This strategy is not without some cost. First, if we commit \$5 billion from the October package to crime, we will fall short of some members' \$10 billion target for deficit reduction. Second, if the October package doesn't pass, we may be criticized for passing a crime bill that has not yet been paid for. But that's true whether we commit \$3 billion or \$5 billion -- and if Congress votes down our spending cuts, it won't be our fault if we can't fund everything in the crime bill. Moreover, we can come back next year with any spending cuts that fail this time around and use them to offset crime-related Justice spending in FY95.

You should also be aware that like every other department, Justice faces a serious funding crunch in FY95, even though it will receive the largest increase. Justice has been handed several new initiatives, including immigration and the health care fraud program. All these initiatives, together with other new programs at other departments, will present a series of tough choices in nailing down the FY95 budget.

The Attorney General summed up her concerns in one word: "money". She is willing to commit to more drug courts, cops, and boot camps -- so long as the White House is willing to commit the money. She does not want to be forced down the road to cut FBI and DEA agents to make room in the budget for expansions in other law enforcement assistance.

OMB lays out its concerns in the attached memorandum. In summary, OMB wants you to understand that we will not be able to fully fund all the authorizations in the crime bill and all the potential new initiatives at Justice.

We agree that those concerns will have to be addressed early next year in the broader context of the FY95 budget. We do not believe that committing a greater portion of the spending cut package to crime and drugs now will tie your hands later. Unless and until Congress keeps its end of the bargain by agreeing to your spending cuts, you cannot be expected to spend money you don't have.

If you are willing to commit a greater portion of the spending cut package to crime, we recommend that you consider the following course of action:

____ Use Tuesday's procurement/October package event to announce that as a sign of the Administration's seriousness about the epidemic of violence, you want the first \$5 billion in cuts and procurement savings to go to fighting crime, with the balance to go for deficit reduction.

____ Ask Biden and Brooks to raise the authorization levels for more cops, more drug courts, and more boot camps/prisons.

____ If your schedule permits, join Drug Director Brown and Attorney General Reno at Wednesday's opening of the D.C. drug court, which was funded through an HHS grant from the Clinton Administration.

____ Use every appropriate opportunity during the House/Senate debates on the crime bill and the spending cut package to stress the importance of bold, immediate action.

Draft

MEMORANDUM

TO: George Stephanopolous, Carol Rascoe, Bruce Reed, Bill Galston, Gene Sperling, Jose Cerda

FROM: Christopher Edley, Jr.
Associate Director for Economics & Government

ISSUE: POLICE CORPS - Information

This memorandum responds to recent discussions regarding the funding level of the proposed Police Corps proposal. The program's chief advocates, Adam Walinsky and Sen. Kennedy, support a Police Corps with extensive resources.

Given very tight appropriation constraints, pressing needs in other areas of law enforcement, and the apparent minimal benefits and shortcomings of the program, OMB recommends that the Police Corps should receive very limited funding in future years. The following outlines the reasoning in support of a more limited Police Corps concept than proposed in the budget.

A. Background - Police Corps Program in 1992 Crime Bill and 1994 Budget

The Police Corps proposal was included in the President's 1994 Budget consistent with two references to the program in Putting People First (p. 72 & 76). The program was proposed at \$25 million for 1994 and categorized as an investment within the Department of Justice's crime initiative (Federal/State Partnerships). The budget assumed that funding for the program would increase to \$150 million by 1996 and be modelled after provisions in last year's filibustered Crime Bill. The following table summarizes the current alternatives:

	1994	1995	1996	1997	1998
Last Year's Crime Bill					
Authorized level (\$ in millions)*	100	100	200	200	200
Est. # of Students Supported**	13,333	13,333	26,667	26,667	26,667
President's Budget					
Budget Authority (\$ in millions)	25	75	150	150	150
Est. # of Students Supported**	3,333	10,000	20,000	20,000	20,000
Justice Plan (Draft)					
Budget Authority (\$ in millions)	5	5	5	5	5
Est. # of Students Supported***	1,000	1,000	1,000	1,000	1,000

* Adjusted for delayed enactment. Authorization levels were for 1992 - 1996 in original Crime Bill.

** Based on \$7,500 stipend per officer.

*** Based on \$5,000 stipend per officer. Same as National Service Stipend.

B. Last Year's Police Corps Proposal Has Some Shortcomings

The Police Corps proposal itself appears to have several shortcomings and would likely be of limited benefit to the law enforcement community and the Administration.

- It is an expensive program that fails to put a single officer on the street. Over \$100 million and four years would be required before the first recruit is even eligible to be hired. The program also fails to address the most pressing issue facing local police departments, the lack of funding to hire any new officers, let alone Police Corps graduates. Additionally, many police groups have not supported the concept.
- The program primarily attempts to target education and training of new officers. However, there is little evidence to suggest that current police personnel lack sufficient training and education to perform effectively policing activities.
- Although the Police Corps may increase education levels, it is unclear whether it would translate into higher quality police on the street. New recruits require street experience and are usually most productive after several years of service. With only a four-year obligation, the Police Corps program could produce an endless supply of "green" officers. It would likely attract many of those who would have joined the police force anyway in absence of the program.
- The program does not in its current form assist police officers previously laid off due to budget constraints nor does it target displaced military veterans. These populations have been singled out numerous times by the President as being the populations in most need of assistance. In fact both references to the Police Corps in Putting People First recommend support for these populations.

C. Police Corps Savings Could Support Other Crime Initiative Priorities

Since the budget was submitted, priorities and constraints facing the Administration have changed. Savings realized from scaling back the Police Corps program could be used to support the following initiatives, all of which are likely to be funded by the Congress at levels well below the President's request.

- "100,000 Cops" - In virtually every document and speech containing references to the Administration's crime policy, including the State of the Union, the President has pledged to "put 100,000 new cops on the streets of America." The 1994 budget dedicated extensive resources to this goal. However, using even the most liberal assumptions the budget barely met this goal. Currently, it appears as though a very significant portion of those funds will not be appropriated by Congress, leaving the Administration well short of its 100,000 goal.

- Community Policing - The effectiveness of community policing has been documented extensively. The Attorney General, in particular, has strongly supported directing crime initiative resources to the support of this effort. The proposed program provides grants to States and localities to hire more police officers to interact with citizens in the provision of public safety.
- Brady Bill - In order to meet the requirements of the Brady Bill, additional Federal as well as State and local resources will be required. For 1994, \$25 million is requested in the budget to assist FBI and States and localities to improve their criminal record databases.
- Prisons - The Federal prison population continues to rise at alarming rates, creating an ever-increasing demand for resources to house prisoners. \$88 million in 1994 alone was requested to meet these requirements.

D. Benefits of a Limited Scale Police Corps Program

To date, the Department of Justice, OMB, and Domestic Policy Council staff have supported a scaled down version of the Police Corps. One such example is the Department of Justice's draft Police Corps Demonstration proposal. The proposal funds Police Corps as a demonstration project at \$25 million over five years with \$5,000 per student subsidies. Although not the only alternative, the demo/limited funding concept is promising. A scaled down Police Corps program has the following benefits:

- partially satisfies the President's commitment to a Police Corps,
- avoids spending valuable resources on what many consider an ineffective program, and
- allows for extensive evaluation of the concept prior to dedication of significant resources.

cc: Leon Panetta, Alice Rivlin, Sheila Anthony and Eldie Acheson