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HOUSE APPROPRIATIONS SUBCOMMITTEE

ON LABOR, HEALTH AND HUMAN SERVICES,

EDUCATION AND RELATED AGENCIES

Preliminary Analysis

and

Comparison to the President's Budget Plan

July 19, 1995

INVESTING IN EDUCATION AND TRAINING VS. CUTTING EDUCATION AND TRAINING: PRESIDENT'S 1996 REQUEST VS. REPUBLICAN 1996 EXPECTED ACTION

	PRESIDENT CLINTON'S 10-YEAR BUDGET	REPUBLICAN CUTS
Goals 2000: Help states and schools raise academic standards and student achievement	Increase to $750 million in 1996, supporting improvements for over 8 million children in 16,000 schools. By 2002, funding would increase to $896 million, supporting improvements for over 44 million children in 85,000 schools.	Eliminate all funding for education reform.
Education for disadvantaged students: Help low-income students achieve high standards	Increased by $573 million over the last 2 years; increase by $302 million in 1996, serving up to 300,000 more children that year alone, and providing increases in the future.	Reduce funding by $1.1 billion in 1996, cutting 1.1 million children from the program that year. A freeze at this level would, by 2002, cut another 600,000 children from the program.
Safe and Drug-Free Schools and Communities	Fund at $500 million per year, providing safer, more drug-free learning environments for 39 million children in over 14,000 school districts.	Reduce funding to $200 million, a 60 percent cut from the President's request, depriving over 23 million students of services next year.
Head Start: Comprehensive services for pre-school youth & toddlers to increase school readiness	Increase 1996 funding by $400 million and add 32,000 new Head Start slots for children in 1996 -- and 50,000 new slots by 2002.	Cuts funding by $135 million from 1995 level, cutting 45,000-50,000 children off current Head Start in 1996 to maintain program quality. Freezing funding at the reduced level would cut off up to 230,000 children below the President's proposed level for 2002.
Summer Jobs for disadvantaged young people	Funding for about 615,000 jobs for disadvantaged young people in the summer of 1996.	Program eliminated beginning in 1996, wiping out job opportunities for some 4.3 million disadvantaged youth over the next 7 years.
Job Training for dislocated workers, low-income adults	Put Skill Grants directly into hands of disadvantaged and dislocated workers, with 800,000 recipients in 1996. Increase 1995 funding by 40 percent, to $3.1 billion.	Cuts funding by 50 percent below the President's request, and 25 percent below 1995.
AmeriCorps: College Aid for National Service (in VA/HUD appropriations bill)	Expand by $242 million to provide nearly 50,000 opportunities for community service and college aid, and 580,000 youth (K-12) other service opportunities.	Eliminated. Over 4.3 million service opportunities for youth in their communities abolished over 7 years.
ALL EDUCATION AND TRAINING (Budget Function 500)	INCREASE EDUCATION, TRAINING AND AID TO STUDENTS BY $40 BILLION IN DISCRETIONARY OUTLAYS OVER 7 YEARS	THE BUDGET RESOLUTION CUTS OUTLAYS FOR EDUCATION AND TRAINING BY $36 BILLION INCLUDING $10 BILLION IN LOAN BENEFITS TO STUDENTS

DEPARTMENT OF EDUCATION

The Subcommittee cuts Education Department discretionary funds by $3.9 billion below 1995 and $5.4 billion below the President's request.

Goals 2000.

Subcommittee:

- Eliminates program, setting back state efforts to set educational standards and reform education so the standards can be met.

President:

- Provides $750 million in 1996 to raise academic standards in 16,000 schools in 48 states.

School-to-Work (ED and DOL).

Subcommittee:

- Cuts funds to $190 million, impairing efforts of 28 states to complete reforms begun in 1994 and 1995, and denying 22 states the chance to implement their reform plans to raise student skills and build a more competitive workplace.

President:

- Boosts funds to $400 million (half in ED, half in DOL), 60 percent increase over 1995, to support states building school-to-work systems with 1-year planning and 5-year implementation grants.

Safe and Drug-Free Schools and Communities.

Subcommittee:

- Cuts funds by 60 percent, to $200 million, depriving over 23 million students of services in 1996 alone.

President:

- Provides $500 million to combat violence and drug use in 97 percent, or over 14,000, school districts serving 39 million students.

Title I, Education for disadvantaged students.

Subcommittee:

- Cuts $1.1 billion, cutting up to 1.1 million children from program.

President:

- Boosts funds by $302 million, to $7 billion, to help states raise academic achievement of 6.4 million disadvantaged children.

Federal Direct Student Loan Program.

Subcommittee:

- Cuts funds to $320 million, less than what's needed to administer the direct loan program.

  -- Will stop growth of efficient, cost-effective direct lending and keep paying banks, state agencies, and secondary markets.

President:

- Supports Student Loan Reform Act of 1993, which provided $550 million in 1996 to administer the direct loan program and the transition from guaranteed to direct loans.

Student Financial Assistance programs.

Subcommittee:

- Eliminates, from Pell grants, about 300,000 students who would get awards of $400-$600 under President's proposal.

President:

- Raises maximum Pell grant award by $280, to $2,620.

Vocational and Adult Education.

Subcommittee:

- Cuts funds by 37 percent below President's request, to $1.06 billion:

  -- denying assistance needed by communities and states to train students for high-skill, high-wage jobs, and

-- eliminating adult education services to over 125,000 adults.

<u>President</u>:

- Provides $1.679 billion in 1996:

  -- to prepare youth to pursue productive careers in a changing economy, and

  -- to help adults improve their basic and literacy skills.

Bilingual and Immigrant Education.

<u>Subcommittee</u>:

- Cuts President's request for Bilingual Education by almost 75 percent and for Immigrant Education by half, severely reducing instructional services for over 700,000 limited English speaking children and adults.

<u>President</u>:

- Provides $200 million for Bilingual Education and $100 million for Immigrant Education.

DEPARTMENT OF LABOR

The Subcommittee cuts the Labor Department by almost $1.9 billion, or 18 percent, below 1995 and almost $3.6 billion, or 30 percent, below President's request.

Adult job training (cut 46 percent).

Subcommittee:

- For dislocated workers, provides $850 million, 39 percent below President's request, denying reemployment services to 273,000, compared to the President.

- For low-income adults, provides $830 million, 21 percent below President's request, denying training opportunities to 84,000 compared to the President.

- For adult training resources, denies President's request to boost funds by $660 million.

President:

- For dislocated workers, provides $1.396 billion.

- For low-income adults, provides $1.055 billion.

Youth job training (cut 49 percent).

Subcommittee:

- Eliminates Summer Youth Employment Program, denying job opportunities in Summer of 1996 for 615,000 urban and rural disadvantaged youth.

- Cuts DOL's portion of School-to-Work by 53 percent from President's request.

  -- Denies chance for remaining 22 states to implement their reform plans to raise students' skills; likely to cut second- and third-year grants for existing 28 states.

  -- Tens of thousands of students will move into job market without adequate preparation.

- Cuts President's $289 million request for JTPA Title II-C youth by 56 percent, eliminating 92,000 training opportunities.

President:

- Provides $872 million for Summer Youth Program; funds 615,000 summer jobs.

- Provides $200 million (the DOL share) for School-to-Work initiative, to support states building school-to-work systems with 1-year planning and 5-year implementation grants.

- Provides $289 million in JTPA Title II-C youth grants to fund job training services for 185,000 disadvantaged youths.

Worker protection.

Subcommittee:

- Cuts OSHA and other agencies that protect workers, ensure they are paid legal wages, and guard their pensions, by total of $200 million (almost 25 percent) below President's request.

  -- Will reduce worker protection and increase riskiness of workplaces.

Legislative riders.

Subcommittee:

- Bars using funds to implement President's Executive Order on striker replacements.

- Stops OSHA from issuing any ergonomics workplace protection standard.

- Bars DOL from promoting use of economically targeted investments in private pension plans.

- Eliminates language that barred use of helpers on construction projects under Davis-Bacon.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

The subcommittee cuts discretionary budget authority for HHS by $1.6 billion below 1995, reflecting the effects of H.R. 1944, and by $4.6 billion below the President's budget.

Head Start.

Subcommittee:

- Cuts funding by $135 million below 1995 and $535 million below President's request, cutting 45,000-50,000 children off Head Start in 1996.

  -- Freezing funding at reduced level would cut off up to 230,000 children, compared to President's proposal for 2002.

President:

- Funding increases by $400 million in 1996, adding 32,000 new slots for children.

  -- By 2002, adds total of 50,000 slots to the current 750,000.

Low Income Home Energy Assistance Program (LIHEAP).

Subcommittee:

- Eliminates LIHEAP and LIHEAP emergency fund.

  -- Cuts off federal heating and cooling aid to 5-6 million low-income families, 30 percent of which include at least one elderly member and 20 percent of which include at least one disabled member.

  -- Ends federal capacity to provide heating or cooling aid to states in the event of unusually severe cold or hot weather or a natural disaster.

President:

- Provides $1.319 billion in 1996, matching 1995 level.

Substance Abuse and Mental Health Grants.

Subcommittee:

- Cuts 75 percent, to $144 million, compared to President, jeopardizing substance abuse and mental health services for tens of thousands of pregnant women, high-risk youth, and others.

President:

- Roughly maintains 1995 level of $566 million.

SAMHSA/Homeless.

Subcommittee:

- Eliminates state grants to provide drug treatment and mental health services to the homeless, ending services to over 90,000 individuals.

President:

- Roughly maintains 1995 level of $29 million and consolidates the program into a Performance Partnership to give states more flexibility to use the funds but hold them accountable for results.

Administration on Aging (AoA).

Subcommittee:

- Ends 7 of 12 programs and cuts funds for all but 1.

  -- Organizations like Meals on Wheels would be reimbursed for over 5 million fewer meals delivered to older Americans.

President:

- Boosts funds by $21 million, to $897 million.

  -- Maintains 1995 level for nutrition programs that include Meals on Wheels, serving over 3 million older Americans.

Immigration initiative.

Subcommittee:

- Does not fund President's request, withholding federal assistance to the 7 states most heavily affected by immigration.

President:

- Provides $150 million in 1996 to help states pay for their share of the Medicaid costs of providing emergency medical services for undocumented aliens.

Legislative riders.

<u>Subcommittee</u>:

- Bars funding of Surgeon General position, eliminating public spokesperson on personal and societal health issues.

SOCIAL SECURITY ADMINISTRATION

Subcommittee:

- Cuts President's request by $285 million, to $5.960 billion.

  -- Threatens SSA's ability to complete its modernization and reach expected productivity and service improvements.

  -- Slows SSA's efforts to cut substantial backlog in disability claims.

President:

- Increases funds by $673 million above the 1995 level, to $6.237 billion.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Subcommittee:

- Cut by 36 percent, or $94 million, President's request for national service activities funded under the Domestic Volunteer Act, which includes VISTA, Retired Senior Volunteer Program, Foster Grandparent Program, and Senior Companion Program.

  -- Would deny nearly 170,000 older Americans the opportunity to help the homebound elderly, disabled children, and others in their communities.

President:

- Increases funding by 22 percent for these programs.

HOUSE APPROPRIATIONS SUBCOMMITTEE

ON VA, HUD AND INDEPENDENT AGENCIES

Preliminary Analysis

and

Comparison to the President's Budget Plan

July 19, 1995

(Updated)

VA, HUD, INDEPENDENT AGENCIES APPROPRIATIONS: PRESIDENT'S FY 1996 REQUEST VS. REPUBLICAN FY 1996 EXPECTED ACTION

Cuts programs under its jurisdiction by about $10 billion below President's request for 1996 -- ***31 percent*** of the $32 billion that Congress plans to cut in non-defense discretionary spending.

	PRESIDENT'S 10-YEAR BUDGET	REPUBLICAN CUTS
National Service	Provides $819 million in 1996 for AmeriCorps, Learn and Serve and related national service.	Eliminates AmeriCorps, Learn and Serve, and related programs.
AmeriCorps	Increases to $430 million in 1996, giving another 21,000 young Americans the opportunity to serve their communities and earn an education award.	Eliminates AmeriCorps. Nearly 50,000 young middle-income Americans will lose the opportunity to serve their communities.
Learn and Serve	Increases to $60 million in FY 1996, creating 140,000 new opportunities for children, adolescents, and college students to help their communities while developing a service ethic.	Eliminates Learn and Serve. 580,000 children, adolescents, and college students will be unable to participate in Learn and Serve.
HUD Budget	Provides $24.3 billion and restructures HUD to devolve responsibilities to States and localities within a framework of national goals.	Provides $19.1 billion ($5.2 billion below the President's request and $6.4 billion below 1995).
HUD Homeless Assistance	Includes $1.12 billion in 1996 for a new homeless assistance fund to help communities develop continuum-of-care systems to reduce homelessness.	Cuts 1996 HUD homeless funding almost in half, to $576 million.
HUD Vouchers	Adds over 500,000 voucher subsidies over 7 years.	Provides *no* funding for incremental housing vouchers other than to renew outstanding ones, and 50,000 fewer vouchers than the President's request.
HUD Public Housing	Provides $8.1 billion in 1996 for public housing capital and operating funds, enough to reduce a backlog of capital needs and tear down or reconfigure the worst projects.	Cuts 1996 funding by 37 percent, or $3 billion, and repeals the requirement that rents be set at 30 percent of a household's income.
EPA Budget	Continues Administration's strong support for EPA by providing $.1 billion over 1995.	Cuts EPA's budget by 33 percent below 1995, with a nearly 50 percent cut in enforcement.
Drinking Water State Revolving Fund	Provides $500 million to help municipalities prevent drinking water problems.	Provides no funding in 1996 and eliminates $225 million in prior-year funding.
NASA Budget	Restructures NASA using a balanced Space Station and science program that does not close any research centers.	Provides $13.7 billion ($0.6 billion below the President's request and $0.8 billion below 1995).

OVERVIEW

The Subcommittee mark would cut programs under its jurisdiction by about $10 billion below the President's request for 1996 -- 31 percent of the $32 billion that Congress plans to cut in non-defense discretionary spending.

The Subcommittee mark attacks the President's priorities on several fronts:

• It virtually eliminates funding for the President's investment programs over which it has jurisdiction:

-- It eliminates national service programs.

-- It eliminates Community Development Financial Institutions.

-- It slashes the Environmental Protection Agency (EPA) by a third.

-- It cuts funding for HUD homeless programs in half.

• The Subcommittee includes legislative provisions that have not been debated through the necessary authorization and hearing process and have no place in appropriations bills:

-- It limits EPA's implementation of the Clean Air and Clean Water Acts.

-- It restructures NASA.

-- It imposes substantial rent increases on tenants in public and private HUD-assisted housing.

• The Subcommittee eliminates the Council on Environmental Quality in the Executive Office of the President -- representing inappropriate congressional interference in the Executive Branch.

NATIONAL SERVICE

Subcommittee:

- Eliminates AmeriCorps, Learn and Serve, and related programs.

  -- [In a related matter, the Labor-HHS Subcommittee mark also cuts the other piece of national service: It cuts VISTA programs by almost 60 percent and the senior volunteer programs by about one-third].

- The VA/HUD cuts will mean:

  -- Nearly 50,000 young, middle-income Americans will lose the chance to serve their communities through AmeriCorps in locally-identified areas of crucial need and earn an educational award to help pay for college or other training.

  -- Another 580,000 children, adolescents, and college students will be unable to participate in Learn and Serve, helping communities solve problems while also developing the ethic of service.

President:

- Provides $819 million in 1996 for AmeriCorps, Learn and Serve and related national service opportunities.

  -- For AmeriCorps, 1996 funding would provide another 21,000 young Americans with the chance to help meet locally-determined needs and earn an educational award.

  -- For Learn and Serve, 1996 funding would provide 140,000 additional service opportunities to help children, adolescents, and college students develop the service ethic while contributing to their communities.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

The Subcommittee allocation for HUD is $19.1 billion ($5.2 billion below the President's request and $6.4 billion below 1995).

Homeless Assistance.

<u>Subcommittee</u>:

• Cuts 1996 HUD homeless funding almost in half, to $576 million, and

• Cuts FEMA Emergency Food and Shelter Assistance, which supports local homeless programs, by $30 million, to $100 million.

These cuts will:

• Combined with large cuts in low-income housing subsidies (below), will increase the numbers of homeless,

• Deny communities help needed to create transitional and longer-term housing options for the homeless, and

• Reduce emergency services.

<u>President</u>:

• Would provide $1.12 billion in 1996 for a new, homeless assistance fund to help communities develop continuum-of-care systems to reduce homelessness.

• The President and HUD have made cutting the number of homeless, who number 600,000 on any given night, a major priority.

Vouchers.

<u>Subcommittee</u>:

• Provides *no* funding for incremental housing vouchers other than to renew outstanding ones, and

• Provides 50,000 fewer vouchers in 1996 than the President's request.

<u>President</u>:

• Adds over 500,000 voucher subsidies over 7 years.

Public housing.

Subcommittee:

- Would cut 1996 funding by 37 percent, or $3 billion, to repair, rehabilitate, and modernize housing projects and provide annual subsidies to operate and maintain 1.4 million units for the low-income and elderly.

  -- These cuts will force Public Housing Authorities to under-maintain and abandon projects or cut security and services.

- Would repeal the requirement that rents be set at 30 percent of a household's income.

  -- Many PHAs would raise rents on poorest families, forcing some into homelessness and others to use most of their cash income for rent.

President:

- Would provide $8.1 billion in 1996 public housing capital and operating funds, enough to:

  -- Reduce a backlog of capital needs,

  -- Tear down or reconfigure the worst projects, and

  -- Prepare for a proposed transition to portable assistance, giving choices to public housing residents.

Public and assisted housing tenants.

Subcommittee:

- Requires public housing and Section 8 residents to pay minimum rent of $50 plus utilities.

  -- If enacted immediately, this would increase rents paid by 600,000 public housing and Section 8 families by average of over $460 per year.

- Increases rents paid by residents who get Section 8 vouchers from 30 to 32 percent of adjusted income.

  -- This would take away $140 per year from the average assisted family.

- Suspends caps on tenant rent in public housing.

President:

- Includes rent reforms to encourage public and assisted housing recipients to move towards self-sufficiency, but

- Would not arbitrarily impose higher rent burden on low-income tenants.

FHA multifamily mortgage insurance programs.

Subcommittee:

- Would eliminate all credit subsidies for multifamily mortgage insurance:

  -- Denying support, each year, for over 56,000 low and moderate income rental units, and

  -- Exacerbating shortage of affordable housing.

    - In New York State, insurance would not be available for 8,400 housing units.

    - In southern California, insurance would not be available for 4,100 housing units.

President:

- Provides $188 million in credit subsidies in 1996 to help finance multifamily housing.

ENVIRONMENTAL PROTECTION AGENCY:

The Subcommittee allocation for EPA is $4.9 billion ($2.5 billion below the President's request and $2.4 billion below 1995).

EPA budget.

Subcommittee:

- Cuts EPA's budget by 33 percent below 1995, jeopardizing public health by quashing enforcement of pollution control rules and blocking new protections.

President:

- Continues Administration's strong support for EPA by providing a net $.1 billion increase over 1995.

Operating Program.

Subcommittee:

- Cuts EPA's pollution control and enforcement programs by $430 million below 1995 and $821 million below the President's request.

  -- The nearly 50 percent cut in enforcement would decimate EPA's ability to enforce environmental laws.

  -- The cuts could necessitate layoffs of several thousand workers.

President:

- Proposes 14 percent increase for EPA's operating programs, the backbone of the nation's efforts to protect the environment.

Drinking Water State Revolving Funds.

Subcommittee:

- Provides no funds in 1996 and eliminates $225 million in prior-year funding not included in H.R. 1944's $1.1 billion rescission:

  -- This $225 million was restored to H.R. 1944 in response to the President's veto.

President:

- Proposes $500 million to establish new state revolving funds to help municipalities provide clean, safe drinking water.

  -- That will help prevent problems such as the cryptosporidium outbreak in Milwaukee that killed 100 people and caused illness in another 400,000.

  -- It will most affect the 30 million people served by a system that violated a drinking water standard in the past year.

Superfund Clean-ups of Toxic Wastes.

Subcommittee:

- Would cut spending by 30 percent below 1995 and 36 percent, or $360 million, below the President's request.

  -- This would eliminate planned funding for 120 long-term cleanup projects and 160 actions to address more immediate public health threats, subjecting hundreds of thousands of citizens to continued exposure to dangerous chemicals.

- Proposes that taxpayers pay for all cleanups, not polluters who created the dumps.

President:

- Proposes a $130 million increase for Superfund cleanups of toxic waste dumps.

Overriding Environmental Laws.

Subcommittee:

- Includes legislative "riders" to overturn existing law without any hearings on their environmental impact.

  -- They block or rescind numerous rules to protect public health, including those to ensure safe water, food, and air.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:

The Subcommittee allocation for NASA is $13.7 billion ($0.6 billion below the President's request and $0.8 billion below 1995).

Science and Technology Programs.

Subcommittee:

- Significantly cuts NASA's S&T programs.

  -- Cuts $333 million from NASA's Mission to Planet Earth project, an Administration priority:

  - This project was designed to help better understand man's impact on Earth's environment.

  - The cut will have a major impact on the Goddard Space Flight Center in Maryland, by cutting more than 1,000 public and private jobs.

  -- Significantly cuts NASA's contribution to several Administration technology initiatives, including High Performance Computing and Communications, Clean Car, and research improvements in air traffic control.

President:

- Provides $14.3 billion in 1996 and restructures NASA using a balanced Space Station and science program that does not close any research centers.

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

July 26, 1995
(House Floor)

STATEMENT OF ADMINISTRATION POLICY

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

H.R. 2099 -- DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL, FY 1996

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

This Statement of Administration Policy provides the Administration's views on H.R. 2099, the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Bill, FY 1996, as reported by the House Appropriations Committee.

The Administration is committed to balancing the Federal Budget by FY 2005. The President's budget proposes to reduce discretionary spending for FY 1996 by $5 billion in outlays below the FY 1995 enacted level. While the Administration supports reducing spending, we do not share the priorities reflected in the Committee's mark or support the level of funding assumed by the Committee's 602(b) allocations. The Administration must evaluate each bill both in terms of funding levels provided and the share of total resources available for remaining priorities. This bill is estimated to be $11 billion below the President's request.

For the reasons discussed below, the President would veto the bill if it were presented to him in its current form.

<u>Corporation for National and Community Service</u>

The Committee would terminate the Corporation for National and Community Service, one of this Administration's top priorities. The Administration strongly opposes the Committee's decision to eliminate this important initiative and urges the House to reconsider and to provide funding at the requested level of $819 million. Without the full request, nearly 50,000 young Americans would lose the opportunity to help their communities, through AmeriCorps, to address vital local needs such as health care, crime prevention, and education while at the same time earning a monetary award to help them pursue additional education or training. In addition, some 580,000 children, adolescents, and college students would lose the chance to serve their communities through the Learn and Serve program.

Housing and Urban Development (HUD)

The Administration strongly opposes the excessive cut of over $5 billion to the President's request for HUD. The budget can be balanced by FY 2005 while preserving essential commitments to low-income households and communities. By providing no new housing vouchers, the Committee breaks with a 20-year bipartisan precedent at a time when the number of families with severe housing needs has been rising. The Committee would override a long-standing provision that bases the rents of public housing tenants on their ability to pay, and would reduce funding for homeless programs in HUD by $544 million from the previous year. The Committee would also impose a one-year moratorium on subsidies for FHA multifamily loan guarantees that would shrink the already inadequate supply of affordable housing for low-income families and the elderly. Additional information on the Administration's objections to the Committee reductions in HUD programs is contained in the enclosure.

Environmental Protection Agency (EPA)

The Administration strongly opposes the Committee's 34-percent reduction in EPA's budget, which would have a crippling effect on the Government's ability to protect public health and the environment. Particularly objectionable is the 50-percent cut in enforcement, which would decimate EPA's ability to enforce environmental laws; elimination of funding to help municipalities provide safe drinking water; and the 36-percent reduction in Superfund which could result in continued exposure to dangerous chemicals for hundreds of thousands of citizens living near hazardous waste sites.

The Administration finds it unconscionable that the Committee would fund over $40 million in congressional earmarks that are low environmental priorities while making drastic reductions in important programs -- reductions that would hamper our efforts in environmental protection.

The Administration also strongly objects to the numerous legislative "riders" that would essentially overturn existing law. These riders would jeopardize public health by blocking implementation or enforcement of rules needed to ensure safe water, food, and air. Additional information on the Administration's objections to the Committee reductions in EPA programs is contained in the enclosure.

National Aeronautics and Space Administration

The Administration supports the Committee's decision to restore many of the reductions to science programs included in the Subcommittee bill. However, the Committee has restored these cuts by reducing the Earth Observing System by $330 million. The

Administration objects to this 25-percent reduction, which could impact nearly 3,000 jobs at Goddard and across the country. The Administration also objects to the provision of the bill related to closing NASA Centers by FY 1998. NASA Administrator Goldin has outlined a responsible restructuring plan that avoids closing any of these important national resources. Finally, the Administration objects to the Committee's reductions to other important technology programs, including NASA's contributions to the inter-agency High Performance Computing and Communications and the Partnership for Next Generation of Vehicles (clean car) initiatives.

The Administration would strongly oppose any amendment that would 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 project.

Community Development Financial Institutions (CDFI)

The Administration opposes the Committee's decision to terminate the President's Community Development Financial Institutions initiative, one of this Administration's top priorities. The Administration strongly urges the House to reconsider and to provide funding at the requested level of $144 million. Without full funding, the CDFI Fund would be unable to provide: $20 million in direct loan subsidies to support over $56 million of direct loans to CDFIs; $72 million in grants, technical assistance, and other financial assistance to CDFIs; and over $46 million in community development incentives for depository institutions. The Fund's investments in CDFIs, banks, and thrifts would leverage an estimated $600 million in investments, loans, and financial services in the country's most distressed communities.

Council on Environmental Quality (CEQ)

The Administration strongly objects to the Committee's elimination of the Council on Environmental Quality. This action would deprive the President of environmental policy counsel and represents an inappropriate interference in the organization of the President's policy offices.

Additional Administration concerns with the bill as reported by the Committee are contained in the attachment.

Attachment

Attachment
(House Floor)

ADDITIONAL CONCERNS
H.R. 2099 -- DEPARTMENTS OF VETERANS AFFAIRS AND
HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES
APPROPRIATIONS BILL, FY 1996
(AS REPORTED BY THE HOUSE COMMITTEE)

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

Housing and Urban Development (HUD)

The Administration opposes the Committee's $2.4 billion reduction in capital funds for public housing. This reduction would severely impede demolition of the worst projects and prevent improvements needed to ensure the remaining housing stock's viability. The $720 million reduction in operating funds for public housing would force localities to raise rents and curtail security, maintenance, and drug elimination efforts.

The Committee would require hundreds of thousands of the poorest residents of public housing and other assisted housing to pay "minimum rents," taking a high proportion of their income regardless of ability to pay. Rents would increase by an average of $400 to $600 a year. All residents would face hardship, and some would be forced into homelessness. These and other provisions would place the heaviest burden of budget balancing on those least able to bear it.

The Committee would also cut $30 million from the emergency food and shelter assistance program operated by the Federal Emergency Management Agency. Restoration of these funds would enable more communities to build continuum-of-care systems to return the homeless to the mainstream.

Environmental Protection Agency (EPA)

Operating Programs. The Administration strongly opposes the Committee's $821 million reduction to the President's request for EPA's operating programs (research, regulatory development, enforcement, and State grants). This 24-percent reduction would have devastating consequences for protection of public health and the environment. Particularly egregious are reductions that would:

- reduce EPA enforcement by nearly 50 percent, thereby decimating the Federal Government's ability to enforce environmental laws and declaring open season for polluters;

- cut salary funding by over $300 million, causing layoffs of potentially several thousand workers whose efforts are the key to protecting public health from the effects of pollution;

- eliminate the Environmental Technology Initiative, which is spurring development of new technologies to protect public health, reduce costs, and create new American jobs and export markets.

Drinking Water State Revolving Funds. The Administration strongly objects to the Committee's decision to provide no funds for Drinking Water State Revolving Funds in FY 1996 and eliminate all previous funding, contrary to the agreement reflected in H.R. 1944, the pending rescission bill. Municipalities need almost $9 billion to cover capital costs related to compliance with established standards and additional billions to comply with future requirements needed to prevent problems such as the 1993 cryptosporidium outbreak in Milwaukee that killed 100 people and caused illness in another 400,000. Most affected by this proposal would be the almost 30 million people who are served by a system that has violated a drinking water standard in the past year.

Clean Water State Revolving Funds. The Administration objects to the Committee's $360 million, or 23-percent, reduction to the President's request for Clean Water State Revolving Funds. Municipalities still have needs for water quality protection that will require $137 billion in funding. Further, the Committee's proposal might bar any FY 1996 spending because of bill language prohibiting obligations until reauthorization of the Clean Water Act. Reauthorization is unlikely to occur in the near future. The Senate has not yet drafted a bill, and the President has said that he would veto the House bill in its current form. Such a funding bar would detrimentally affect construction industry jobs, harm water quality, and could require layoffs in State water programs, which would also be affected by the prohibition.

Superfund. The Administration opposes the Committee's proposed $560 million decrease in funding for Superfund cleanups, a 36-percent reduction from the President's request. The Committee's action could eliminate planned funding for about 120 new, long-term cleanup projects and jeopardize 160 actions to address more immediate public health threats. These drastic cuts would mean continued exposure to dangerous chemicals for the hundreds of thousands of citizens living near these cleanup sites. Just as troubling is the prohibition on spending after December 31, 1995, if the statute is not reauthorized. A reauthorization bill has not yet been drafted by either body, and this prohibition could endanger public health by shutting down the program -- and the cleanup -- at hundreds of sites. Finally, the Administration objects to the Committee's proposal to have the taxpaying public pay for all cleanups, rather than the polluters who created the problem.

Funding Restrictions. The Administration strongly opposes -- and urges the House to delete -- the numerous legislative "riders" (including any new riders proposed on the floor) that would essentially overturn existing law to cater to special interests without any hearings on their national environmental impact. These riders would jeopardize public health by blocking implementation or enforcement of rules needed to ensure safe water, food, and air. Included among these provisions are riders that would:

- virtually shutdown the EPA Water Quality Program by prohibiting most Clean Water Act spending, even when required by court order. These prohibitions would jeopardize the significant progress towards cleaner water that has been achieved over the past 23 years;

- jeopardize the safety of the Nation's food supply through a "backdoor" elimination of the Delaney Clause of the Federal Food, Drug, and Cosmetic Act, without replacing it with a health-based standard to protect consumers;

- prevent EPA from effectively implementing Clean Air Act programs essential for protecting the public from air pollutants that cause respiratory problems and cancer; and

- mandate Toxic Release Inventory (TRI) restrictions that would prevent EPA from collecting information, for public use, on toxic chemical releases.

Veterans Affairs (VA)

The Administration appreciates the level of funding that the Committee has provided for VA Medical Care. However, the Administration objects to the provision of the Committee bill that would direct the use of $204 million in mandatory program savings from veterans' benefits to fund increases in discretionary programs. These mandatory savings are needed for the authorizing committees to meet their spending reduction targets. Shifting these savings to the discretionary side of the budget would put pressure on the authorizing committees to replace these lost savings by making further cuts in veterans' benefits.

The Administration objects to the reduction of $63 million in General Operating Expenses (seven percent of the requested amount). This would jeopardize the Department's efforts to combine manpower with information technology to reduce the 213 days it takes to process a veteran's benefit claim and to reduce the 448,589 backlog of pending applications.

The Administration objects to the provision of the Committee bill that would eliminate compensation to incompetent veterans with no dependents and estates over $25,000. This provision would unfairly single out a group of veterans for diminished benefits based on their mental competence and their modest assets.

Council on Environmental Quality

Based on the principle of comity between co-equal branches, the Executive Branch traditionally does not comment on the Legislative Branch appropriations bill, and the Congress traditionally pays appropriate regard to the President's request for the agencies within the Executive Office of the President. This comity avoids inappropriate interference by either branch in the details of the organization of the other, and permits each to organize its own policy offices as it believes will best serve the country.

The Committee bill clearly and inappropriately breaks with this longstanding practice consistently observed by both branches over many years. Consequently, the Administration strongly objects to the Committee's elimination of the Council on Environmental Quality (CEQ). Eliminating CEQ would deprive the President of environmental policy counsel, severely hamper the President's ability to coordinate the development of environmental policy throughout the Executive Branch, and impede the President's ability to resolve interagency disputes.

Consumer Product Safety Commission (CPSC)

The Committee bill would fund the CPSC at $40 million, $4 million, or nine percent, below the President's request. This reduction from the requested level would create a significant challenge for CPSC to accomplish its mission of protecting American consumers.

Talking Points:

FY 1996 Department of Transportation and Related Agencies Appropriations Bill

July 24, 1995

• The bill is nearly $1.2 billion above the President's request.

• To support infrastructure programs, the bill sacrifices key transportation operating and research program funding, making it hard to continue today's high level of transportation safety:

-- It would cut Coast Guard funding by $52 million below our request, resulting in the curtailment of marine safety programs.

-- It would cut funding for Federal Aviation Administration operations by $110 million below our request, limiting FAA safety activities and precluding the hiring of 253 additional safety inspectors.

• The bill would cut Amtrak funds by $317 million, including severe cuts in its operating subsidy, Northeast Corridor Improvement Program, and Pennsylvania Station Redevelopment Project.

-- The cuts would cause service reductions and jeopardize Amtrak's efforts to cut costs to attain financial stability.

• The bill would cut funding for transit operating assistance by $100 million below our request.

-- The cuts would cause reductions in transit services, with dire consequences for small urban areas and the working poor.

• The bill would cut funding for research and technology by 37 percent below our request.

-- The $170 million, or 48 percent, cut in funding for the Intelligent Transportation System (ITS) would impede progress on the "Trailblazer" initiative, which would demonstrate, at three sites, the core metropolitan mobility ITS infrastructure and the core commercial vehicle ITS infrastructure.

• We oppose the earmarking of $40 million for 12 ITS projects that we did not request and that would not serve critical research, development, or testing needs.

• We oppose the earmarking of 18 transit new start projects that are not under Full Funding Grant Agreements.

-- The out-year cost to complete these projects would top $3 billion, creating expectations that will be hard to meet in today's budget environment.

• We oppose the bill's repeal of transit employee protections, commonly known as section 13 (c) protections, and the abrogation of existing transit labor agreements.

• We strongly oppose a provision to bar the use of funds for changes in the Corporate Average Fuel Economy (CAFE) standards, effectively dictating that CAFE rulemaking not deviate from existing standards.

• We oppose a provision that would eliminate workers' compensation benefits for retirement-eligible, Transportation Department employees who now receive benefits.

-- We view this provision as a major change in workers' compensation policy that should be considered on a government-wide, not agency-by-agency, basis.

• We oppose a provision that places restrictions on the use of funds for employee training, which could block a broad range of useful training activities.

-- We believe that, in this time of downsizing and reinvention, agencies need flexibility in training their employees for changes in how they perform their jobs and for new job responsibilities.

Talking Points:

FY 1996 Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Bill

July 25, 1995

(updated)

• The bill is nearly $2.9 billion below the President's request.

• The bill would eliminate the Community Oriented Policing Services (COPS) program, which would provide grants to localities to hire new police and eventually put 100,000 new officers on the street.

-- To date, COPS has authorized funding for over 20,000 new officers.

-- Police chiefs and sheriffs around the nation have praised the program as customer-oriented, non-bureaucratic, and visionary.

• The bill would cut funding for the Violent Crime Reduction Trust Fund by $24 million below the Administration's request.

-- The bill does not set aside funds for important "smart" crime fighting initiatives such as Drug Courts, the President's Crime Prevention Council, violence against women countermeasures, the Presidential Summit on Crime, and other crime control programs.

• The Administration strongly opposes the bill's proposal to end funding for the Advanced Technology Program, a productive industry-government partnership that provides an effective mechanism to augment economic growth though highly-leveraged, industry-led research and development.

• The bill would cut funding for the Census Bureau and Bureau of Economic Analysis (BEA) by $94 million below the Administration's request and $17 million below the 1995 enacted level.

-- BEA would have to reduce regional data on state and local per capita income and gross state product estimates used for allocating over $100 billion in federal funds.

• The bill would cut funding for the National Oceanic and Atmospheric Administration (NOAA) by $354 million, 10 percent below the 1995 enacted level and 17 percent below the Administration's request.

-- Fisheries management and enforcement would be cut by 27 percent below the Administration's request -- costing jobs in the fishing industry and impeding NOAA's ability to provide for Pacific salmon recovery.

-- NOAA research would be cut by 24 percent, including major cuts in climate research and forecasting programs and the elimination of the Global Learning and Observations to Benefit the Environment program.

-- The cuts would slow modernization of the National Weather Service and jeopardize satellite continuity and improvements in weather forecasts.

• The bill does not fund the new $175 million Maritime Security Program, a Presidential initiative critical to national security and economic security.

-- That could eliminate over two-thirds of the U.S.-flag dry cargo international merchant fleet by the year 2000 and cost over 5,000 seafaring jobs.

• The bill would severely damage the Administration's ability to pursue foreign policy objectives through key U.S. public diplomacy programs.

-- From the Administration' request, it would cut funding for USIA operations by 11 percent, international broadcasting by over 14 percent, and Educational and Cultural Exchange programs by 24 percent.

• The bill would cut funding for the State Department's Capital Investment Fund in half.

-- This would deprive the State Department of much-needed funds to invest in modern information technology that will enable the department, through increased efficiencies, to meet the challenges posed by tight resource levels.

• The bill would cut funding for the Equal Opportunity Employment Commission (EEOC) by $35 million, or 13 percent, below the Administration's request.

-- This would prevent EEOC from addressing a backlog of 100,000 unresolved complaints and jeopardize ongoing management efforts to streamline case processing.

• The bill would cut funding for the Legal Services Corporation (LSC) by a third below the 1995 enacted level, causing a more than one-third cut in civil legal services to the poor, particularly those in rural areas and areas with programs that get a large portion of their funding from the LSC.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 18, 1995

Statement by the President

The 1996 VA-HUD appropriations bill passed today by the House Appropriations Committee is unacceptable.

By abolishing Americorps it would eliminate opportunities for thousands of young people to serve their communities through the national service program. By dramatically slashing resources for the Environmental Protection Agency and imposing severe restrictions on that agency, the bill would decimate the government's ability to protect the American people from air and water pollution. By cutting assistance for the nation's homeless in half, it would punish some of the weakest and most vulnerable in our society.

We need to balance the budget, and we need to cut spending to do it. But there is a right way and a wrong way. A bill so contrary to the priorities and concerns of the American people clearly represents the wrong way.

I will not stand by as the Republican majority tries to impose this extreme agenda on the nation. If this bill is presented to me in its current form, I will veto it. I call on the Congress to correct the appropriations bills now under consideration before they reach my desk, not after.

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